

The NATIONAL UNDERWRITER

Life Insurance Edition



JOHN J. MAHONEY

In his second year as a Franklinite, in the thriving little city of Monterey, California, (Population 10,084) John J. Mahoney earned twice as much as in any one of the thirty-three years of his previous connection.

He says "Company co-operation plus unmatched Franklin exclusives made it possible. Makes me feel good when I look at the figures."

Here is a record of his earnings:
Cash Income
1949 \$ 5,347.21
1950 11,772.66

We are very proud of John Mahoney's accomplishments.

GENERAL AGENCY
OPPORTUNITY IN
COLUMBUS, OHIO

Double My Highest Previous Income...

January 13, 1951

Chas. E. Becker, President
Franklin Life Insurance Company
Springfield, Illinois

Dear President Becker:

In the two short years that I have been associated with the friendly Franklin, I have known more happiness and peace of mind than ever before. The reason? Financial worries are practically nil!

As you perhaps remember, I was connected with one of the "Big Three" insurance firms for THIRTY-THREE YEARS... my income from the Franklin Life in this, my SECOND year, has doubled the highest annual income of my previous connection! Is it any wonder that I'm a happy man?

I take no credit for this amazing "raise in salary." Company co-operation plus the unmatched Franklin exclusives have made it possible. My only regret is that I didn't see the light sooner. I certainly intend to make up for lost time within the next few years.

With kindest personal regards,

JJM/ps

John J. Mahoney (signed)

An agent cannot long travel at a faster gait than the company he represents.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Nearly One Billion Insurance in Force.

FRIDAY, MARCH 16, 1951

**AGENCY
BUILDER**

Ride this magic carpet to

**SUCCESS and
FORTUNE**

with the **GOLDEN RULE** Company



Attracts Strong Men

**Holds and Rewards Your
Better Men**

Makes Agency Building Easy

"Top" Commission on
Our 15 Leading Contracts
—plus Production Bonus

Vested Long-Term Renewals
and
Non-Contributory Pension

Substantial Rewards
to Your Agents for
Helping You Build!

TERRITORIES:

Opportunities open in: California, Florida,
Illinois, Indiana, Iowa, Kansas, Kentucky,
Maryland, Michigan, North Carolina, Ohio,
Pennsylvania, Texas, Virginia, Washington,
D. C., and West Virginia.

PLUS

**1. \$10.00 PER MONTH
DISABILITY**

ON ALL POLICIES.
What everyone wants!
Gives you an immediate
edge on competition.

**2. GOLDEN
DIRECT MAIL**

—Solves your prospect-
ing problem! Leads devel-
oped and pre-conditioned
... ready for easy sales-
closing interviews.

**3. NON-CONTRIBUTORY
PENSION PLAN**

Up to \$400 per month
Life-time Guarantee of
Renewal Income. *Plus* —
Commissions and Bonus
on any insurance you
write.

**4. ACCUMULATOR—
INDEPENDENCE GUARANTOR
—GUARANTEED MONEY PLAN**

New! Most talked-
about plans in America!

Write For Details of The Agency Plan — Inquiries Held Confidential

**The COLUMBUS MUTUAL
LIFE INSURANCE COMPANY**

Columbus 16, Ohio

CARL MITCHEL TREE, Pres. BEN F. HADLEY, Vice Pres.

Says Better Service Entitles Agents to More Compensation

Moynahan Thinks Trained 1951 Agent Deserves More Pay than His Predecessor

NEW YORK—More than adequate justification for an increase in agents' compensation in the proposed revision of section 213 of the New York insurance law can be found in the improved sales service agents are giving the public and in the far greater amount of time they are devoting to clients after a sale, John D. Moynahan, Metropolitan Life, Berwyn, Ill., president of National Assn. of Life Underwriters, said at the annual sales congress of the New York City association.

Agents are giving much more time and effort to clients and their professional advice is more valuable than when the present limits were adopted, he said. Moreover, he added, these additional services have increased agents' expenses and they should be reimbursed.

Reviewing the achievements of N.A.L.U., he said membership in it has value for an agent whether he attends sales congresses or not. He praised the job done by the association's committee on the revision of the expense limitation of the New York insurance law.

Cooperation with Company Groups

Mr. Moynahan stressed the cooperation between the N.A.L.U. and the company organizations, citing the talk given by Eugene M. Thoré, general counsel of Life Insurance Assn. of America, at the N.A.L.U. convention in Washington last September. Said Mr. Moynahan:

"We are happy to tell you that we are, as Gene Thoré said on our Washington convention program, working together on these Washington and other problems in the closest cooperation with the company organizations in the best interests of our clients, our business and its representatives and the stature of your professional association has increased immeasurably in recent years both in prestige and effectiveness."

Agents have a responsibility further to increase sales, perhaps bringing them up to their pre-war share of national income, he urged, and by doing that alone can combat inflation and help maintain the free enterprise system. He would like to see the business develop an advertising campaign fostering the idea promoted by doctors and dentists that a man should see his agent once a year.

Huppeler was Chairman

Lambert M. Huppeler, New England Mutual, was general chairman of the meeting and Harold Loewenheim, Home Life of New York, vice-chairman.

A plea for the participation of even more agents in civil defense work, particularly as interviewers for recruiting of volunteer police, fire and other groups, was made by Robert W. Dowling, New York banker, chairman of the group directing recruiting and public information for civil defense in Manhattan. He was introduced by Timothy W. Foley, State Mutual, chairman of the association's civil defense committee.

The meeting featured morning and afternoon sessions and a luncheon.

Metropolitan Taxes Ate Up 22% of 1951 Dividends

Leroy A. Lincoln, chairman of Metropolitan Life, declared at the New York City meeting of the district managers of his company that the total taxes paid by Metropolitan were equal in 1950 to 22% of the dividends payable to policyholders in 1951. Mr. Lincoln reported that the taxes in 1950 paid by Metropolitan amounted to \$39 million, not including taxes on real estate. Of this sum, \$28 million was paid to the states and \$11 million to the federal government. He made the point that every dollar added to taxes increases the cost of life insurance, because each tax dollar is a dollar that cannot be returned to the policyholder in dividends. "I bring this tax matter up for your information in discussions with the policyholders," Mr. Lincoln declared.

Two Awards to Isenberg

He was speaking at the first three-day convention of the managerial staff since 1947. Mr. Lincoln presented the two outstanding Metropolitan awards to Goodman Isenberg, manager of the Passaic district. Mr. Isenberg received the Veterans trophy for performance during 1950 and the Ecker award conferred each year for leadership over the preceding five-year period. This is the first district to win both awards in a single year.

Mr. Lincoln extended recognition for leadership to the following districts: New Bedford, Mass., for industrial growth increase; Murray Hill, New York City, placed ordinary; Oklahoma City, ordinary gain, and St. Hyacinthe, Que., A. & H. first year premiums.

This was the first occasion upon which Mr. Lincoln and Charles G. Taylor, Jr., president, had faced the managers in their new capacities.

Mr. Taylor termed it necessary for the life insurance business to keep itself in competition for the consumer dollar and do everything that can be done to avoid unnecessary expenses through economy in management to dull the effects of inflation.

Other Speakers Listed

Other speakers at the session, some of whose remarks are covered elsewhere in this issue of THE NATIONAL UNDERWRITER, were Frederic W. Ecker, executive vice-president; Harry C. Hagerty, financial vice-president; Samuel Milligan, administrative vice-president; Horace R. Bassford, vice-president and chief actuary and Alexander C. Campbell and Francis M. Smith, vice-presidents.

At the session in charge of Cecil J. North, vice-president in charge of the field force, the speakers included Mr. North, Reginald R. Lawrence, Walter S. J. Shepherd and Glen J. Spahn, 2nd vice-presidents, and Karl H. Kreder, assistant vice-president and manager of the field training division.

New Kansas Dept. Attorney

John K. Corkhill has been named claim adjuster-attorney of the Kansas department by Commissioner Sullivan, replacing William M. Busch, recently called back to active service with the marines.

The talk by H. P. Gravengaard, vice-president of THE NATIONAL UNDERWRITER, on business insurance was reported in last week's issue. The sales suggestions of a nine agent panel on increased production without increased effort are reported elsewhere in this issue.

Terms of New 2 3/4% Treasury Bonds

The new investment series of 2 3/4% Treasury bonds which will be offered March 26, 1951, in exchange for outstanding 2 1/2% Treasury bonds of June 15 and Dec. 15, 1967-72, will be dated April 1, 1951, will mature on April 1, 1980, and be callable on April 1, 1975.

The bonds will be non-marketable and non-transferable, but will be exchangeable into marketable five year 1 1/2% Treasury notes. The notes offered in exchange will be dated April 1 and Oct. 1 of each year with appropriate interest adjustments to dates of exchange. Interest on such bonds and notes will be payable semi-annually on the first days of April and October in each year.

L.I.A.M.A. Assigns Committee Posts

Committees have been named by L.I.A.M.A. for 1951. The chairmen of board committees are: W. Rankin Furey, Berkshire, distribution; Guilford Dudley, Jr., Life & Casualty, finance; Sam E. Miles, Provident L. & A., ways and means.

Standing committee chairmen are Roger Hull, Mutual Life, agency costs; Grant L. Hill, Northwestern Mutual, annual meeting; Wrayburn M. Benton, Massachusetts Mutual, audit; A. E. Wall, Confederation Life, Canadian companies; E. J. Moorhead, United States Life, compensation; C. W. Arnold, Kansas City Life, cooperation with other organizations.

Raymond C. Johnson, New York Life, education and training; Edward R. Hodgkins, Paul Revere Life, field personnel; Ralph R. Lounsbury, Bankers National, human relations; R. B. Coolidge, Aetna Life, large companies; H. S. McConachie, American Mutual, membership; D. Gordon Hunter, Phoenix Mutual, nominating.

Richard E. Pille, Mutual Benefit Life, public information; James H. Cowles, Provident Mutual, quality business; C. B. Metzger, Equitable Society, relations with universities; J. A. McAllister, Sun Life of Canada, research advisory; Vincent B. Coffin, Connecticut Mutual, 30th anniversary.

Chairmen of joint committees are: Mr. Coffin, advisory council on life underwriter education and training; William B. Worthington, Home Life, agency management training advisory; Benjamin N. Woodson, State Life of Indiana, Life Underwriter Training Council.

Asks SS Amendment

WASHINGTON—Rep. McGrath has introduced a bill to amend the social security act to provide disability insurance benefits and to reduce the age eligibility requirement for OASI benefits from 65 to 62 years.

\$4.4 Billion of A. & H. in Force

A. & H. insurance was given unusual treatment in the 1950 annual business statement of Metropolitan Life. The company developed the figure in that it had in force \$4,460,628,116 of principal sum benefits and weekly benefits of \$77,639,041.

Tour Guarantee Mutual Agencies

Ralph E. Kiplinger, newly elected president of Guarantee Mutual Life, and George L. Hamlin, agency vice-president, will make a six weeks tour of all agencies.

Life Companies Back of Federal Reserve New Credit Program

Shanks Issues Statement on Behalf of L.I.A.-A.L.C. Committee

Enthusiastic support of the program for voluntary credit restraint made public by the Federal Reserve Board has been announced by Carrol M. Shanks, president of Prudential, speaking as chairman of the joint committee on inflation control of Life Insurance Assn. of America and American Life Convention. He said:

"The program for voluntary credit restraint should provide an excellent medium through which loans and investments may be channeled into essential uses in our national defense economy and help in the fight against inflation. It should contribute to the basic strength of our national economy and aid in the development of our national defense. The life insurance business will cooperate fully toward making the program a success."

It should be aided by other anti-inflationary measures, he suggested, as it is but one step in a broad effort to fight inflation.

Policyholders Have Vital Stake

"The 83 million life insurance policyholders have a vital stake in efforts which are being made by government, business and the American public to wage a successful fight against inflation. This arises, of course, from the fact that erosion of the purchasing power of the dollar, in addition to its many destructive effects, cuts into the value of savings which policyholders have accumulated through life insurance. Inflation has an exceedingly adverse effect upon all forms of savings."

"For this reason representatives of the life insurance business welcomed the opportunity to join with representatives of the banks and the investment banking houses under the auspices of the Federal Reserve Board in formulating the program for voluntary credit restraint. The program has been strongly endorsed by the board of directors of the Life Insurance Assn. of America and the executive committee of American Life Convention."

Will Convert to New Issue

Backing up the anti-inflationary moves of Treasury and federal reserve system, unofficial indications are that life companies will convert a substantial part of their 1967-72 2 1/2% government bonds on March 26, when they will be exchangeable for the new 2 3/4% non-marketable issue. The new bonds are an anti-inflationary measure designed to prevent additional money from going into circulation through the sale of governments to the federal reserve by institutional investors. The response of life companies, which hold about \$3 1/2 billion of these bonds, will greatly influence the result.

Companies which have made advance financial commitments predicated on the sale of governments to accumulate sufficient cash along with new money to make certain loans will not be able to go in as heavily for the new

(CONTINUED ON PAGE 24)

Ratio of Lapses and Surrenders for N.Y. Admitted Companies Goes Up to 2.90%

Company	Amount Surrenders	Amount Lapses	Total L. & S.	L. & S. % '50	L. & S. % '49
Aetna	50,251,051	74,159,293	124,410,344	4.58	4.87
Amalgamated	1,500	14,500	16,000	10.06	9.32
Bankers, Ia.	12,821,196	25,539,354	38,360,550	3.18	3.32
Bankers Security	1,120,338	5,500	1,125,838	11.12	8.26
Berkshire	5,253,615	6,285,473	11,539,088	3.22	3.31
Canada (U.S. Br.)	4,629,794	3,601,470	8,231,264	2.98	2.86
Colonial	2,027,297	5,714,490	7,741,787	6.08	7.64
Columbian Natl.	4,676,975	9,760,179	14,437,154	5.00	2.92
Companion	1,126,611	2,482,470	3,609,081	56.72	*
Confed. (U.S. Br.)	37,013,841	43,973,884	80,987,725	6.54	5.60
Conn. General	37,241,986	26,875,926	64,117,912	3.27	3.29
Conn. Mutual	4,515,894	3,160,589	7,676,483	3.38	3.82
Continental Am.	8,113,521	39,305,211	47,418,732	6.67	7.76
Contl. Assurance	322,477	695,482	1,017,959	2.71	2.49
Credit	422,684	1,190,353	1,613,037	6.94	7.87
Eastern	10,854,396	20,020,876	30,875,272	9.97	3.06
Empire State	80,869,694	107,386,509	188,256,203	2.55	2.64
Equitable, Ia.	2,497,411	20,899,651	23,397,062	8.08	8.69
Equitable Society	1,164,256	2,634,873	3,799,129	3.54	3.76
Farm Bureau	222,812	943,524	1,166,336	8.41	15.36
Fmrs. & Traders	9,227,346	9,544,344	18,771,690	3.02	3.23
Fidelity Mutual	10,021,794	9,944,302	19,966,096	2.42	2.46
Guardian	7,586,576	6,403,934	13,990,510	1.68	1.95
Home, N. Y.	251,510	51,589	303,209	1.64	2.06
Imperial	100,654,795	151,879,669	252,534,464	4.31	4.58
John Hancock	281,217	1,352,699	1,633,916	7.22	9.08
Loyal Protective	3,784,453	7,813,287	11,597,740	5.25	6.37
Manhattan	45,906,186	26,296,632	72,202,818	2.53	2.45
Mass. Mutual	237,018,374	137,434,358	374,452,732	1.80	1.80
Metropolitan	1,546,214	11,032,827	12,579,041	9.59	8.66
Monarch Life	39,552,293	14,803,930	54,356,223	1.93	1.88
Mut. Benefit Life					

ALBANY — The aggregate ratio of lapses and surrenders to total insurance in force, which receded a little in 1949 after inching upward for several years, showed a small rise for 1950, according to the annual statements of companies licensed to sell life insurance in New York state. The figure was 2.90% of the insurance in force at the beginning of the year, as against 2.81% for 1949.

The figures exclude group as well as industrial.

It might be surmised, offhand, that most of the higher ratio would be due to an increase in lapses because of the accelerated pace at which companies have been writing business in the last year, thereby increasing the proportion of new, more readily lapsable business. However, the bulk of the increase proved to be in the surrender department.

In dollar amounts, lapses showed a 2.043% increase over 1949 while surrenders showed a 13.251% increase, the aggregate increase over 1949 being 6.886%.

Valued Interest Affects Lapsing

With companies reducing the number of years before a policyholder acquires a valued interest in a policy the number of lapses would seemingly tend to reduce or at least remain low so long as economic conditions remain favorable. A lapse is a policy termination without value and with some policies providing for values in as short a period as six months they would be replaced by various non-forfeiture values.

Though term insurance usually has no cash value, it has been suggested that the increased amount of term volume might cause a greater number of lapses. This might be so at higher ages because of cost but normally term shows no tendency to terminate any faster than any other form, in fact it may be that because of the lower premium, term might not terminate as rapidly as an endowment. Term, however, is subject to being switched from one company to another since the policyholder has slight equity to lose.

Must Consider Company Growth

In looking at a company lapse ratio computed by taking its lapse-surrender total and comparing it with insurance in force it must be remembered that such a ratio makes no allowance for a company's growth pattern. A company that has been growing rapidly in recent years will show a less favorable ratio, other factors being equal, because it has more business exposed to lapse than an older company.

This is strikingly shown in the case of Companion Life of New York, which shows a misleadingly high ratio simply because it is a new company and all its business is new.

Inflation Is Topic of N.Y. C.L.U. Forum

"Inflation" will be the subject of the annual forum on current economic and social trends, to be held at New York City April 19 under the auspices of New York C.L.U. chapter. Pasquale A. Quarto, director of training of L.U.T.C., is general chairman.

Dr. Alan Valentine, until recently director of economic stabilization; James G. McDonald, ambassador to Israel, and

Dr. Dexter M. Keezer, director department of economics, McGraw-Hill Publishing Co., deputy administrator of O. P. A. during the last war, will speak.

Harold M. Stewart, executive vice-president of Prudential, as moderator will lead a question and answer period following each speaker and sum up the day's discussion.

Philadelphia Life is now issuing a \$10 disability income rider, in addition to the \$5 disability clause now available. Minimum disability income will be \$50 per month, maximum \$250 per month.



YOU HELP OTHERS AS YOU HELP YOURSELF

The value of your dollars depends largely on how you use them. If you spend every dollar of your income, you cause inflation to spiral higher and higher on necessities as well as luxury items. But if you stop and sensibly consider how to spend what you must, and save the rest, you can see that you are actually helping yourself—helping to preserve the value of your own dollars and aiding in strengthening the economy of our nation.

The economic necessity of saving more and spending less is a selling point for life insurance salesmen today—and while you are selling more life insurance and doing more business, you are also making an important contribution toward a sounder National economy.

INSURANCE IN FORCE February 1, 1951—\$484,807,838



COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Gordon McKinney Vice-President of Security Mutual

Gordon D. McKinney, actuary of the National Assn. of Life Underwriters, has been elected a vice-president of Security Mutual Life of Binghamton, N. Y.



G. D. McKinney

Security Mutual will now have two administrative officers in this vice-presidential capacity, the other being Haines B. Wickes, who has been with the company since 1941.

Mr. McKinney is a graduate of University of Toronto and a fellow of the Society of Actuaries. From 1932 until 1941 he was on the actuarial and examination staffs of the Canadian insurance department and later was with London Life of Ontario and was with National Life of Canada for six years prior to joining the N.A.L.U. staff as its first actuary.

Has Worked for Field Men

Mr. McKinney has conscientiously devoted himself to problems of field men, particularly in the field of agents' compensation. He has interpreted to the field an understandable explanation of section 213 of the New York insurance law, which sets the controls for agents' compensation.

In the N.A.L.U.'s efforts toward improving the present system of National Service life insurance, Mr. McKinney has represented the association before various congressional committees. In addition to his contributions to N.A.L.U.'s Life Association News, Mr. McKinney has written several widely distributed pamphlets on the services of the combination agent, the use and place of term insurance and on the much discussed N.S.L.I. dividends.

Edmund L. G. Zalinski, N.A.L.U.'s executive vice-president, expressed the regret of the officers and trustees, "Gordon McKinney has made an unusually valuable contribution to the work of N.A.L.U. and we wish him every success in his new position, which offers him increased opportunities to serve the business of life insurance and its policyholders," he said.

A. & H. Men to Hear Neal

Robert R. Neal, vice-president and counsel of North American Accident, will discuss "Wage Stabilization and the A. & H. Business" at the March 20 meeting of Chicago A. & H. Assn.

Sinz Returns to Army

Richard W. Sinz, San Antonio, manager for Retail Credit Co., is on indefinite leave, having been called to active duty as a major in the intelligence division of the army air force. Jack Hurster, Fort Worth, who has served with several offices of Retail Credit, will be in charge at San Antonio.

The Washington legislature has enacted into law a measure establishing uniform standard A. & H. provisions in accordance with the recommended statute of National Assn. of Insurance Commissioners.

Set Tax Ratio at .9063

WASHINGTON — Treasury decision 5831 contains the "secretary's ratio" figure related to life insurance company taxation for the taxable year 1950. The figure is .9063.

For Eastern Meeting

Reginald of Tide speaker a meeting of Assn. Ma Hotel, Ne

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Nearly table So nual in course at

Forums to Feature Eastern Round Table Meeting of L.A.A.

Reginald Clough, president and editor of Tide magazine, will be a featured speaker at the Eastern Round Table meeting of Life Insurance Advertisers Assn. March 19-20 at Park Sheraton Hotel, New York.

Robert B. Taylor, association president, recently advanced to agency manager of Jefferson Standard Life, will give the welcoming address at the opening luncheon.

A departure from the practice of recent years, worked out by the round table committee under Margaret Divver as chairman, is a series of practical, working forums, scheduled so that the entire membership may attend all sessions.

Clifford B. Reeves, second vice-president of Mutual Life, will conduct a Monday afternoon forum on policyholder and public relations, and Henry M. Kennedy, advertising director of Prudential, will preside at a session on national advertising.

Tuesday's program will include a forum on sales aids in charge of Irene F. Morgan, supervisor of sales aids for National Life of Vermont; one on house organs headed by Fred J. Kiefler, publications editor of Provident Mutual, and one on direct mail conducted by Charles R. Choquette, direct mail supervisor of Aetna Life.

Assisting in the three forums Tuesday will be Reuel S. Kaighn, Phoenix Mutual; Alma Robertson, Sun Life; James P. Carr, Mutual Benefit; Richard B. Thompson and Robert J. Walker, Mutual Life; Warren F. Reuber, Connecticut Mutual; Alan F. Chab, American United; Kenneth S. Brooks, Prudential; William J. Probst, Penn Mutual; Harvey Kesmodel, Jr., Sun Life of Baltimore, and V. V. Van Leuven, New York Life.

Defense Group Rates Seen Possibly Lower

WASHINGTON — Group coverage rates in connection with defense contracts will probably be lower than they were in the recent war, group insurance industry representatives believe. In the main, however, the prospect is that the war group plan will be revived. A group industry committee has made some counter-suggestions for modifying that plan, in view of changes in methods of operation.

Thomas L. Kane, defense insurance director, has indicated a considerable measure of approval for the plan submitted by the committee. The official atmosphere appears to be definitely more favorable toward relaxation of the rigidity of wage stabilization regulation No. 6, since Economic Stabilization Director Johnston asked the wage board to consider the problems of pension contributions, insurance and other fringe benefits.

Life insurance representatives, who have conferred with wage officials at frequent intervals, point out that regulation 6 is only temporary anyhow, due to expire not later than June 30. Before that date, it is hoped that the wage board will have been reconstituted, and a national wage stabilization policy established under which due recognition will be given to the point made by life and group interests that increase of pension contributions and fringe benefits would have little if any tendency to increase inflationary pressures.

Unit Managers Complete Course

Nearly 300 unit managers of Equitable Society have completed their annual intensive two weeks' training course at Atlantic City.

Add Common Stock Provision to N. Y. Investment Bill

Authorization for domestic life companies to invest the lesser of 3% of assets or one-third of surplus in common stocks has been introduced in the New York legislature and was to be voted on in the last hours before adjournment.

Change Supported by Committee

The provision for limited common stock investments was tacked on to the bill making previously reported liberalizations in the investment statute and represents a change in attitude on the part of the joint legislative committee on insurance rates and regulation, which originally turned down the companies' request that they be allowed to make a small volume of equity purchases. The revision has the support of a majority of the committee.

At Albany the consensus was that the bill had a good chance for enactment, although because of the turmoil typical of the last few days of a legislative session these opinions were heavily hedged.

Proposal Considered Workable

The changes made in the original common stock proposal which was turned down by the committee are regarded by investment men as generally workable. These changes include a stipulation that the stocks must be stocks sold on a recognized stock exchange, a proviso that dividends must have been paid for the 10 preceding fiscal years, and that they shall have earned over that period an aggregate sum applicable to dividends equal at least to an aggregate sum which would have been sufficient to pay dividends of 4% per year on par value.

Third Round of SBLI Fight in Conn. Under Way

HARTFORD — The third round of the bitter battle over extension in Connecticut of savings bank life insurance is now under way. Both sides have been piling up ammunition, used once in 1945 and again in 1949 when the same attempt was made, both times unsuccessfully.

The savings banks are now asking the legislature for the third time to lift the limit of insurance they may write on one individual's life from \$3,000 to \$5,000. The Connecticut Assn. of Life Underwriters has prepared a 20-page statement stating its reasons for opposing the spread of such insurance. Three bills have also been introduced in the legislature that would further restrict SBLI's present operations.

Among the association's principal reasons for opposing raising of the limit are: It would be harmful to the economic welfare of Connecticut; would be harmful to the welfare of individual insurance buyers; would work further injustice upon the depositors of those savings banks which write life insurance; would heighten the totally unfair competition already being sustained by licensed life agents in the state.

One of the bills introduced would limit the maximum amount of savings bank life insurance, group and other, which may be issued to a total of \$5,000 instead of \$8,000 as present. Another would require that the funds of the savings depositors which have been put at the risk of the insurance department be restored to the savings depositors after 10 years.

The third bill asks that advertising material relating to policies of savings bank life insurance show that the assets of a savings bank are not liable for the payment of liabilities, obligations and expenses of the insurance department of that bank and that Connecticut likewise is not liable.

Says Consultants Constitute Problem in Group Field

Campbell of Metropolitan Asks Agency Aid to Combat Threat

The increasing number of individuals and firms who designate themselves insurance consultants constitute a serious problem for the group insurance business, A. C. Campbell, vice-president in charge of the Metropolitan Life group division, maintains. In a speech before the district managers of his company at New York City, Mr. Campbell commented, "Some of these consultants are well informed and experienced men who are competent to make a reasonably fair appraisal in the best interests of the group policyholder. Unfortunately, that cannot be said of numerous consultants who apparently are influenced largely by commission motives."

He told his hearers that the efforts of these men are not now concentrated on new group contracts alone, but are spreading rapidly to existing group contracts. Mr. Campbell commented, "You know that when a company has continued its group insurance program for any considerable period of years with an efficient insurance company, a switch to another carrier is rarely in the employer's interest. However, it is but natural that overworked executives who cannot be expected to thoroughly understand the insurance business should often welcome offers of outside assistance accompanied by promises that insurance costs will be reduced. In such cases we can almost always prove our case on merit, if we have the opportunity to do so."

According to the veteran group insurance executive, the consultant situation points to the necessity for the group companies and their representatives to maintain strong and frequent contacts with executives of policyholders firms. This means earning the confidence of these men through good service and keeping them up to date on developments. When this is not done and the group companies are not close to their policyholders the threat of cancellation may well have to be met, he declared.

Increased Agency Cooperation

Mr. Campbell in other parts of his speech made mention of the great increase in cooperation of agents with the group department and commented, "In the light of the relatively limited number of group field men, we welcome more than ever the cooperation of the increasing numbers of the field force in maintaining excellent relations with existing group policyholders and in establishing good relations with officers of prospect companies. Increasing numbers of managers, assistant managers and ambitious agents are doing just that in many parts of the country, but much more could be done in many other districts with benefit and profit to all concerned. In the current intensive competitive situation, there is no room for a Santa Claus attitude on the part of the group division from the standpoint of paying unearned commissions; but when the field man really renders real and worthwhile cooperation in securing group business, it is a pleasure and a privilege to recognize his activities," Mr. Campbell stated.

The speaker described the philosophy which has characterized the operation of the largest group insurer in the business. He said that talk is continuing to come

(CONTINUED ON PAGE 24)

C.L.U. Study Progress

All over the map of the country are spotted underwriters who have earned the C.L.U. designation, over 3,750 of them, and it is estimated that 6,000 are preparing for the C.L.U. by studying and taking the necessary examinations.

Of the Pennmutualists studying toward the designation 103 have already passed some of the necessary examinations. And of the 103, nine are General Agents, including two in the northeast section, one in the extreme South, two on the West coast, two others in the southern section, and two in the mid-west.

There is a team of a General Agent and his son studying together, and six sons of prominent underwriters, and there are two women. Also on our list of students are eighteen underwriters whose names appear among the quarter million producers, and four of these are million dollar producers.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

Tabulation Shows Rise in Term Business, Lowered Interest Assumptions

Settlement Options Again Prove The Big Loss Producer

BY DONALD J. REAP

ALBANY — Figures taken from the statements of life companies licensed to sell insurance in New York state show that they again suffered heavy losses because of liberal guarantees under settlement options, though less than in 1949, while they showed a substantial profit on disability, double indemnity, and individual and group annuities.

The companies had a loss of \$9,443,919 on supplementary contracts (settlement options) but that was before taking account of money taken from surplus to bolster reserves and bring this business to a more conservative valuation basis. This amount was \$29,868,361 for supplementary contracts, making the total 1950 loss on this class of business \$39,312,280, a big figure but more than \$10 million under the \$49,422,306 loss experienced the previous year.

Other Lines Show Profit

Disability, double indemnity, and annuities all showed a profit for 1950 even after deducting amounts taken from surplus to bolster reserves but a truer picture of the aggregate experience will be seen by taking into account the amounts that have been set aside for strengthening reserves, which are in the right-hand columns of the large table.

A tabulation made some months ago by the New York department shows what 25 of the larger companies licensed in the state have done to bolster reserves through changes in valuation basis from 1941 through 1949. The table below shows the amounts for life in one column and all other classes in another. The totals, plus the 1950 additions, show that companies licensed in New York have bolstered reserves by more than \$2½ billion in this way since 1941.

	Life	All Others
Bankers, Ia.	10,097,000	12,497,000
Aetna	7,387,000	4,485,000
Conn. General	148,000	16,872,000
Conn. Mutual	2,776,000	9,794,000
Equitable, Ia.	8,484,000	107,808,000
Equitable Society	1,335,000	2,646,000
Fidelity Mut.	857,000	4,231,000
Guardian	53,000	18,037,000
John Hancock	6,533,000	30,550,000
Mass. Mutual	4,025,000	285,276,000
Metropolitan	277,469,000	37,097,000
Mutual	15,789,000	32,492,000
Mutual Ben.	25,346,000	4,564,000
National, Vt.	4,192,000	22,594,000
New England	209,500,000	374,150,000
New York Life	5,387,000	33,708,000
Northwestern Mu.	17,000	23,674,000
Penn Mutual	525,000	9,868,000
Phoenix Mut.	12,712,000	28,529,000
Provident Mut.	337,986,000	346,342,000
Prudential	16,702,000	10,586,000
State Mutual	10,586,000	23,157,000
Teachers		
Travelers		

	Life	All Others
Union Central	70,000	6,178,000
Totals	942,163,000	147,753,000
Total, all lines	2,419,694,000	
Total, 1950	100,346,418	
Total, 1941-50	2,520,040,418	

Started Program in Early 1940s

Many companies first looked into the need for reserve strengthening when increased longevity combined with the declining interest rate as they increased their investments in government bonds during the early 1940s. Some started a few years earlier but most of it has taken place in the last 10 years.

Some of these programs, by which companies build their reserves on old blocks of business issued at higher interest assumptions driving down the earnings required, were slowed in the last year or two when the interest rate turned up slightly. Other companies are continuing to bolster their reserves for the future.

Some companies have moved their required earnings down to 3% or to 2½%. When the interest rate went up after the war some decided they did not need to push down the figure any further than that. If it begins to drop again they may decide to try to lower it still more, perhaps to 2½%.

Meanwhile, the loss of the interest

margin shifts attention to mortality savings and expense reduction measures.

NO FIXED RULES

There is no rule which dictates that a company should strengthen reserves. Some may prefer to build surplus. In New York that can be done by domestic companies to a limit of 10% of liabilities. Some companies are quite near the maximum but others are far from it. Because one company has strengthened reserves considerably and another has not, it does not mean that one is right and the other wrong.

Reserve strengthening is something a company takes on only after careful deliberation. It does not jump on a reserve strengthening bandwagon one year and get off the next. Any appreciable amount of strengthening usually takes several years to accomplish as the older blocks of business normally are brought down.

A company may clean up its 3½% and 3¼% business and move it down to 3%. It may then decide to move down the figure gradually to 2½% or lower. Of course it may also choose

(CONTINUED ON PAGE 20)

	Federal Income Tax Paid, 1950	Gain from Disability	Gain from Double Ind.	Ind. Annuities	Gain from Corp. Annuities	Gain from Supp. Contrs.	% Term 1940	% Term 1950	Int. Rate Req'd 1940	Int. Rate Req'd 1950	Ratio Int. Earned to Req. 1940	Ratio Int. Earned to Req. 1950	Incr. in Res. due to Change in Val. Basis				
													Life	Annuity	Sup. Cont.	Dia.	D. I.
Aetna	968,504	395,278	772,607	487,481	4,175,685	-1,487,439	14.32	12.67	3.53	3.02	138.02	114.98	.....	2,584,052	.....	.....	-166,000
Amalgamated	.....	.....	.....	61,854	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bankers, Ia.	96,584	13,293	257,034	142,410	217,040	262,424	4.86	5.10	3.57	2.95	111.71	113.01	225,000	118,369	381,631	200,000	.....
Bankers Security	1,003	.....	.....	.....	.....	.....	100.00	100.00	10.07	13.65	140.96	102.28	.....	.....	.....	.....	.....
Berkshire	22,110	72,247	17,331	-2,923	.....	-42,960	2.20	9.42	3.37	3.08	248.04	110.56	.....	.....	.....	.....	.....
Canada (U. S. Br.)	12,918	55,443	27,359	81,060	8,171	-1,121	8.55	4.56	4.00	3.17	127.39	105.34	.....	50,000	.....	.....	.....
Colonial	26,314	23,593	27,230	310	.....	1,651	.....	6.69	3.65	3.44	99.11	89.71	10,883	.....	.....	.....	.....
Columbian Natl.	66,640	-53,801	43,243	42,609	.....	6,417	13.28	17.09	3.57	3.38	110.65	108.06	48,116	.....	.....	.....	.....
Companion	178	-1,729	-207	-1,411	.....	.....	.....	22.12	.....	3.17	.....	780.62	.....	.....	.....	.....	.....
Confed. (U. S. Br.)	-6,000	13,765	12,411	2,659	.....	10,243	14.10	13.02	3.27	3.31	140.31	113.87	-17,409	.....	.....	.....	.....
Conn. General	159,066	286,854	236,664	-155,223	352,598	-527,804	20.01	23.00	3.48	3.00	111.64	125.38	.....	22,392	546	.....	.....
Conn. Mutual	142,973	285,759	526,635	1,715,145	.....	-3,519,560	3.55	5.15	3.17	2.96	128.59	131.18	.....	.....	.....	.....	.....
Continental Amer.	43,051	912	34,279	5,715	.....	-3,758	3.25	9.41	3.57	3.04	113.98	119.88	.....	.....	.....	.....	.....
Contl. Assurance	130,545	144,908	74,446	-59,758	84,971	-95,536	13.91	18.34	3.65	3.23	109.99	104.84	11,468	.....	20,254	.....	.....
Credit	1,964	3,894	.....	.....	.....	.....	100.00	.....	.....	6.23	5.51	174.94	104.75	.....	.....	.....	.....
Eastern	2,111	1,034	5,455	562	.....	769	11.73	15.98	3.63	3.51	113.44	99.31	37,293	.....	.....	.....	.....
Empire State	5,194	3,498	700	.....	.....	683	0.91	19.36	3.76	3.14	110.66	112.64	.....	.....	.....	.....	.....
Equitable, Ia.	259,101	297,425	236,012	218,016	.....	-316,519	6.76	13.95	3.49	3.17	112.68	105.07	16,250	.....	1,272,881	.....	.....
Equitable Society	896,239	1,961,595	2,586,427	3,060,717	17,757,105	18,999	4.07	4.92	3.21	2.87	108.65	114.82	8,361,561	1,439,382	.....	.....	.....
Expressmen's	6,581	1,083	.....	.....	.....	284	0.20	1.50	3.07	3.09	130.51	97.37	-1,483	.....	.....	.....	.....
Farm Bureau	11,993	50,462	73,994	.....	13,852	-19,565	10.24	11.69	3.85	3.25	100.29	111.15	.....	.....	.....	.....	.....
Farmers & Traders	16,134	34,543	56,152	-1,452	.....	-14,220	3.54	3.23	3.58	3.46	100.46	100.85	10,753	.....	10,279	.....	.....
Federal L. & C.	15,168	-1,305	1,275	.....	.....	-70	0.83	27.75	4.00	3.49	119.48	248.60	.....	.....	.....	314	.....
Fidelity Mutual	37,016	379,352	106,502	-18,891	.....	-105,341	6.39	13.32	3.50	3.22	103.33	98.68	64,151	446,918	26,410	13,297	.....
Guardian	192,494	129,649	262,313	-19,385	.....	-85,865	3.94	5.61	3.09	3.03	116.67	111.14	.....	.....	132,292	62,437	.....
Home, N. Y.	173,408	208,711	78,593	96,967	.....	87,319	9.74	19.07	3.25	3.05	122.05	112.76	306,899	377,734	.....	.....	.....
Imperial (Can.)	2,527	1,959	852	30	.....	-4,503	14.04	11.24	2.92	3.09	144.43	97.66	.....	.....	.....	.....	.....
John Hancock	1,757,297	121,671	1,847,387	1,933,015	5,759,640	-206,892	3.61	10.97	3.54	3.07	106.64	113.19	946,061	490,863	830,483	.....	.....
Loyal Protective	45,151	2,687	7,242	-2,033	-2,205	-56	6.03	10.21	3.30	3.03	90.57	358.34	.....	.....	.....	.....	.....
Lutheran Mutual	23,186	11,551	63,824	-128	.....	-370	11.11	7.10	3.87	3.02	116.66	116.58	63,344	.....	16,383	.....	.....
Manhattan	43,070	53,312	7,291	-90,498	.....	-62,404	11.11	26.34	3.51	3.22	101.49	101.65	97,254	71,115	14,069	2,562	.....
Mass. Mutual	196,282	277,252	281,441	799,470	265,576	-357,570	3.25	3.35	3.24	3.03	116.60	111.38	.....	.....	860,436	.....	.....
Metropolitan	1,713,480	-313,312	4,033,643	-162,070	8,773,720	-489,422	25.95	9.11	3.57	2.97	105.87	111.98	.....	.....	.....	.....	.....
Monarch Life	12,752	14,563	21,786	.....	.....	1,674	9.35	3.99	3.58	3.26	116.82	155.57	.....	.....	10,743	.....	.....
Mutual Benefit Life	206,165	473,540	.....	119,642	.....	-292,200	0.90	2.89	3.10	2.78	119.62	118.26	.....	.....	622,105	.....	.....
Mutual, Canada	1,393	624	.....	.....	.....	.....	9.75	7.89	3.16	3.07	139.14	105.33	.....	.....	.....	.....	.....
Mutual, N. Y.	349,516	175,325	1,385,978	-335,540	.....	-442,843	5.30	5.80	3.14	2.93	103.38	109.19	2,204,337	.....	463,665	185,721	.....
Mutual Trust	66,924	47,024	128,468	-7,220	.....	-111,022	2.23	2.80	3.54	3.24	124.38	103.85	360,000	.....	31,000	.....	.....
National, Vt.	305,991	244,597	150,773	318,852	.....	.....	3.91	4.02	3.19	2.96	122.14	121.18	800,000	.....	200,000	.....	.....
New England Mutual	168,751	318,379	249,881	1,264,646	.....	1,186,876	5.30	4.86	3.16	2.94	111.14	125.38	1,817,626	2,965,246	.....	.....	.....
New York Life	723,292	2,655,028	3,754,854	5,559,332	.....	-1,157,355	2.39	3.43	3.04	2.47	123.67	129.87	.....	.....	.....	.....	.....
No. Amer. Re.	22,820	22,599	39,569	2,402	.....	-430	66.19	80.51	3.62	3.06	80.74	100.17	.....	.....	.....	.....	.....
Northwestern Mutual	1,539,184	931,454	.....	1,577,117	.....	-2,047,221	4.49	5.08	3.11	2.87	130.15	118.30	2,350,156	2,284,567	.....	.....	.....
Old Republic	2,556	57	108	.....	.....	-236	96.85	99.64	4.62	4.06	93.43	101.16	.....	.....	.....	.....	.....
Paul Revere	32,044	64,863	134,478	41,291	94,340	8,896	2.55	13.37	3.71	3.31	149.35	152.66	.....	.....	.....	.....	.....
Penn Mutual	224,397	895,883	552,658	761,809	.....	69,533	7.47	10.74	3.16	3.05	104.39	107.99	747,256	620,115	1,056,331	.....	.....
Phoenix Mutual	356,479	398,252	371,836	534,860	.....	-118,245	8.29	8.72	3.39	3.20	101.16	108.26	375,000	378,474	1,600,992	.....	.....
Postal	7,584	-1,206	.....	-10,225	.....	-2,993	7.66	2.89	3.81	3.51	88.71	98.88	.....	.....	.....	.....	.....
Prov. Mutual	112,541	626,960	191,219	389,351	.....	374,466	5.02	6.84	3.51	2.99	104.53	113.32	121,783	2,214,449	2,102,257	300,000	.....
Prudential	1,380,009	484,914	6,197,167	1,219,312	9,810,144	275,658	4.86	8.04	3.47	2.85	104.97	112.94	36,344,724	5,420,769	3,544,466	.....	.....
Security Mutual, N. Y.	55,983	79,191	40,075	.....	.....	-60,321	11.07	20.85	3.33	3.24	104.95	108.59	.....	.....	.....	.....	.....
State Mutual	60,074	286,207	139,798	63,514	144,477	3,58	9.84	3.11	3.01	110.66	116.28	.....	.....	72,043	271,713	72,515	.....
Teachers	.....	48,178	.....	19,114	.....	19,114	24.30	42.28	3.52	3.02	107.64	111.44	.....	.....	691,168	168,056	.....
Travelers	322,065	-204,308	571,418	152,388	815,049	-397,750	16.05	25.23	3.58	3.31	102.03	101.47	.....	.....	7,197,288	.....	.....
Union Central	408,841	-16,807	265,062	156,417	-8,743	-138,756	2.11	4.91	3.47	3.28	93.43	94.47	179,158	1,987,297	.....	.....	.....
Union Labor	17,568	-2,639	3,803	-6,456	.....	9,046	3.09	3.09	4.39	3.64	123.95	133.54	25,000	.....	.....	.....	.....
Union Mutual	45,036	21,658	29,322	38,657	.....	4,195	13.37	27.00	3.22	3.09	107.74	105.70	.....	.....	28,158	.....	.....
United Mutual	659	.....	50	.....	.....	-288	.....	12.58	.....	3.56	.....	154.70	.....	.....	.....	.....	.....
U. S. Life	34,218	32,345	4,220	26,700	.....	-6,135	22.06	26.01	3.73	3.50	105.05	106.63	.....	.....	.....	.....	.....
Victory Mutual	1,084	-1,031	1,136	-334	.....	.....	8.88	6.14	3.61	3.60	118.17	93.93	.....	.....	.....	.....	.....
War	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals, 1950	13,568,946	12,067,233	25,912,290	20,822,459	48,180,489	-9,442,233	.....	5.72	9.36	.....	.....	.....	41,120,262	28,036,236	29,868,361	945,600	375,000
Totals, 1949	.....	3,138,281	24,930,360	19,776,313	39,048,942	-148,764	.....	.....	.....	.....	.....	.....	45,150,000	.....	.....	.....	1,564,000

Metropolitan Life Completes Its Plan for Raid Protection

Metropolitan Life has virtually completed a master plan for protection of its some 15,000 employees in its home office in the event of atomic bombing. The comprehensive set-up, which could serve as a pattern for other large companies, will shortly be put to a test by drills.

Under the professional guidance of an authority on atomic problems, a special committee headed by Samuel Milligan, administrative vice-president, has been at work for several months seeking to find the best possible way to protect lives and property. Although Mr. Milligan has worked under the hope that their efforts will probably never be put to a test, not a stone has been left unturned to assure the most efficient emergency procedure.

Following in a general way the protection patterns of the last conflict, the set-up adheres to a "horizontal" concept of blast shelter. Core areas have been designated on all floors (except the uppermost) in the center of the building to which personnel will hasten at the sounding of an alert. This is held preferable to moving either upstairs or downstairs because two or three minutes may be a maximum warning time. Workers on the upper five or six floors, however, will have to move down to a lower one.

Need 850 Wardens for Plan

The success of Metropolitan's plan will depend on the efforts of 850 wardens who have been hand picked to take charge in an emergency. In addition, some 300 men and women are going through an intensive first aid course to supplement the services of the nurses and doctors regularly on duty at Metropolitan.

All phases of building activity are represented on Mr. Milligan's committee which meets once a week. From elevator operators to departmental supervisors, everyone has a job to do.

A central control room is being set up which will be the literal heart of the emergency plan. A public address system working on its own power supply will advise of alerts and all clears from the central room.

Sub-basement a Public Shelter

Metropolitan's task is complicated by the fact that the sub-basement has been designated by New York City as a public shelter area. There must be enough personnel available to handle the possible swarms of people who may come into this area, used as an employees' cafeteria, in the event of an alert. It is expected that the American Legion post at the company will be a great help in helping the wardens in their work.

At the same time Metropolitan has just about completed negotiations for a strong modern building in a safe place in upstate New York to be used as a storage area for valuable records. The two considerations, according to Mr. Milligan, in the preservation of records are a desire to give service to the policyholders with the least interruption, and the ability to reconstruct records if necessary.

Mr. Milligan re-emphasized that there is probably more A-bomb apprehension on this side of the Atlantic than in countries closer to Russia. He said it is not his company's desire to unduly alarm the employees and he hopes that all practice drills will be carried out in the calmest, most realistic manner possible.

Chicago Red Cross Leaders

J. Gordon Michaels, manager for Continental Assurance, has been named life insurance chairman for the Chicago Red Cross fund drive. Thomas R. Heaney, high chief ranger of Catholic Order of Foresters, is in charge of

fraternal solicitation. General chairman for insurance is George W. Rennix, Jr., branch manager for Continental Casualty.

Underwriters Plan Annual

The executive committee of Institute of Home Office Underwriters met at Chicago to plan for the annual meeting at Chicago Nov. 8-10. Committees were appointed, chairmen of which are Ray Burke, North American Reassurance, underwriting forms; Joseph C. Kosid, Mutual Service Life, reading and reference, and Walter K. Fritz, Capitol Life,

educational.

Recently admitted to membership are American Banks Life of Waco, and Old American Life of Seattle, bringing the membership to 208 companies.

Prefers Temporary Status

The name of Bernard R. Stone, Nebraska insurance director, was removed at his request from Gov. Peterson's list of reappointments. Mr. Stone said he preferred to stay on a temporary basis and has no plan of accepting another position at any particular time, al-

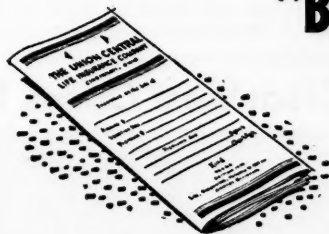
though he will probably stay in the state job at least until June when National Assn. of Insurance Commissioners will hold its annual meeting.

McCombs Resigns as President

Leonard S. McCombs has resigned as president of the Spectator Co. He may stay on with the company in some other capacity. He succeeded in that post Thomas L. Kane, now in Washington with the government. Mr. McCombs has spent his entire business career with the Spectator, on the sales and editorial side.



"Bill, you're acting silly as a groom!"



There are times when a man's got a right to act a bit light-headed. And one such occasion is when he knows his insurance is fully paid up, and his family's future is secure.

There's nothing like the peace of mind that can be brought about through a Limited Payment Life Policy. To know that only a limited number of premium payments is required, and that these premiums will be paid while your income and ability to earn is at its peak,

gives a sense of security that cannot be measured in actual dollars.

Union Central offers many forms of these "paid-up" policies, adaptable to your particular age and circumstances. They range from Single Premium Life to Life Paid-Up at 70, including 10, 15, 20, 25 or 30 year plans.

Remember, even though you make no more payments after the Limited Payment Life Policy has become paid-up, the policy values continue to grow each year. You also get all the dividends earned

during your lifetime. Limited Payment Life makes your future secure today!

The Union Central agent has a plan to meet every life insurance need. He has contracts ranging from Non-Convertible Term, the lowest premium policy of all, to Single Premium Endowment, the highest. Through these modern, liberal policies, he can provide the finest possible life insurance coverage for applicants from birth to age 65, inclusive.

The Union Central Life Insurance Company
CINCINNATI, OHIO

★ Now is the time to . . .

. . . see for yourself how our new **FAMILY SECURITY PLAN** provides for the family's insurance needs of today and tomorrow.

This modern plan, sold in one package, includes permanent life, temporary life, Family Income, and Non-Cancellable and Guaranteed Renewable Accident & Health insurance plus an annuity income to supplement Social Security benefits.

Let us prove to you that our new Family Security Plan together with our popular Direct Mail Prospecting Service is an outstanding commission producing combination.

EXCELLENT OPPORTUNITIES
for capable, industrious insurance men to develop new agencies in Minnesota, Michigan, Colorado, Oregon, Washington.

Other general agency territories available to men who want to build solid agencies under agency-minded Home Office supervision and Home Office assistance. All correspondence confidential.

O. F. Davis, Vice President
Director of Agencies

ILLINOIS BANKERS LIFE ASSURANCE CO.
Monmouth, Illinois

Writing all forms of:
Life—Accident & Health—Pollo
Hospitalization—Medical Reimbursement
Franchise—Group

★ An Open Letter to PERSONAL PRODUCERS—

- Do you make \$15,000?
10% of our general agents do!
- Do you make \$10,000?
25% of our general agents do!
- Do you make \$8,000?
60% of our general agents do!
- In fact—

General agents who have been with us five years or more average \$10,000.

How would you like to build an agency at our expense?

LET US TELL YOU HOW—

Write in confidence to Randall G. Yeager,
Agency Superintendent

LAFAYETTE LIFE INSURANCE COMPANY
LAFAYETTE LIFE BLDG. LAFAYETTE, INDIANA

Operating in Ind., Ill., Iowa, Mich., Nebr., Ohio, and Tenn.

Financial Recaps of Life Companies Show 1950 Records

AMERICAN UNITED

New business for American United Life increased 18% in 1950. Insurance in force increased by \$26 million to a total of \$448 million. Assets were \$90,500,000 and the margin for contingencies was increased by \$492,000, bringing the total to \$8,985,000.

MANHATTAN LIFE

Manhattan Life chalked up a record volume of new paid-for ordinary of \$47,610,622 during 1950, a 55% gain over 1949. Insurance in force gained 14% to stand at \$253,037,872. Assets increased 11% to \$16,861,011. Premium income was \$10,437,982. There was \$4,463,508 paid to policyholders and beneficiaries. The yield on investments was 3.11% in 1950 as compared to 2.93% in 1949. The average policy, including juvenile, rose from \$6,057 in 1949 to \$6,430 in 1950.

PRUDENTIAL

Total production of paid-for new business by Prudential during 1950, including group insurance, amounted to more than \$4,250,000,000. Excluding group insurance, the total production of more than \$3 billion was more than \$500,000,000 greater than production for the previous year. New ordinary led in increase with a gain of \$303 million, weekly premium business had an increase of \$181 million and monthly premium business showed an increase of \$46 million. Both the ordinary agencies and district agencies departments of the company set new production records.

The production of group insurance amounted to \$1,169,000,000. The production in the casualty lines was up considerably and group annuity production nearly doubled that of 1949. Total Prudential insurance in force is now \$34 billion, an increase of \$2,798,000,000 for the year as compared with an increase of \$1,669,000,000 for 1949.

More than \$646 million was disbursed to policyholders and beneficiaries. The company paid claims amounting to \$623,000 on lives of servicemen killed in Korea.

The company estimates that it has 27 million policyholders, an increase of one million for the year.

SECURITY LIFE & ACCIDENT

Gains of \$28,666,434 in insurance in force to \$142,963,405 and of \$2,658,627

in assets to \$23,292,765 were made in 1950 by Security Life & Accident. Surplus, including \$250,000 capital, increased \$179,000 to \$1,760,000. The investment fluctuation reserve is \$250,000.

SOUTHLAND LIFE

Insurance in force of Southland Life increased by \$259 million during 1950 to total more than \$661,996,281 on more than 500,000 policyholders. Assets increased more than \$50 million during the year to total more than \$138,900,000. Surplus to policyholders was \$3,200,000.

UNITED OF CHICAGO

United of Chicago in its new statement reports assets of \$17,507,161. Capital remains at \$1 million and contingency fund at \$500,000 while net surplus is \$4,832,738, which is an increase of nearly \$1 million for the year.

Life insurance in force was \$159,506,753, which is an increase of \$17,739,319. President O. T. Hogan estimates that the 1951 income will be about \$22 million. It was \$19,419,315 in 1950. United is now operating in 33 states and District of Columbia.

A dividend of \$7.50 per share was paid which compares with \$6.25 the past two years.

Ehlert Field Supervisor

Lutheran Mutual Life has appointed Walter G. Ehlert as agency field supervisor. He started with the company in 1938 at Holstein, Ia., and upon his return from service in 1945 he was appointed general agent at Waterloo, Ia.

The Kohler Co., large plumbing manufacturer of Kohler, Wis., at a cost of \$3,380,000 has completed funding a retirement annuity plan for its employees in John Hancock Mutual. The plan is fully vested when an employee has been with the company 25 years or has reached 55 and has been with the company continuously for 15 years.

Travelers has appointed Donald L. Altenburg, group supervisor at San Francisco, to a similar position at Seattle. John A. Pinchback, field supervisor at Atlanta, has been granted military leave of absence.

Massachusetts Mutual Life is sponsoring an overseas show which will tour air force bases in the Mediterranean and Near East areas. The troupe will be under the direction of Russell F. Hoag, Springfield, Mass., show producer.

Dr. Harry W. Dingman, vice-president of Continental Assurance, and Mrs. Dingman Friday are leaving on an extended trip to Europe.

Great-West Opens First Texas Office



H. W. Manning (seated), vice-president and managing director of Great-West Life, is pictured in the Dallas office of the company, which he officially opened March 7. With him are, left to right, H. Thad Childre, manager of the North Texas branch, Dallas; D. E. Kilgour, assistant general manager and director of agencies; Perry S. Bower, assistant general manager and treasurer, and Newman E. Long, manager jointly with Mr. Childre, of the North Texas branch.

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Sentiment Swinging Toward Agents in Younger Age Groups

Although as recently as last fall there was mounting sentiment in favor of hiring older agents, both for reasons of draft exemption and greater maturity, there seems to be a tendency in prospecting to favor the younger men once more.

The topic for many months now has been a lively one at all meetings of life insurance agency personnel, whether within the companies or of life associations. Until comparatively recently, it has seemed that the advocates of hiring of older men have been in the majority.

The disposition now seems to be for a longer range point of view, possibly as a result of some unfavorable experiences with older men from other businesses who were too set in their ways. There is an increasing willingness on the part of agency vice-presidents to take smart young men and string along with them during their learning period of low productivity.

Fidelity Seeking Young Men

For example, Calvin L. Pontius, vice-president of Fidelity Mutual Life, says that the position of his company is that it will definitely recruit the younger man no matter how subject to military service he may be. He says his company believes that these men are needed by the company and that they also need Fidelity Mutual. The company has had significant instances where the young man has gained greatly by having something definite to look forward to following military service.

He adds that the company must be interested in the development of personnel even more than in immediate volume. As a matter of fact, however, he adds that they should get immediate volume as well.

A slightly more modified approach is taken by Chester O. Fischer, vice-president of Massachusetts Mutual Life. He says that the consensus of the company's general agents is that it is highly desirable to engage in a widespread and well balanced program of recruiting. While that is always true, he adds, it is particularly important now and the general agent who has been concentrating on young men will do well to induct some of the older group also.

Pay Attention to Younger Group

At the same time, he points out that it is highly important to continue to pay attention to the younger group even though many of them may be subject to a call in the service. It is felt, he says, that some of them will not be called and others, even though they are obliged to leave the business for a time, will have become indoctrinated with a higher regard for the opportunities in the business and will return later.

He said he feels very strongly that Massachusetts Mutual should continue to work actively among the young men, exercising good judgment and discretion as it does so.

Views of V. H. Jenkins

V. H. Jenkins, vice-chairman of Occidental Life, said that after 37 years in agency work he is not sure that there is any one optimum age group for selection purposes. He believes, however, that there is more of a gamble at ages under 25. In this group he believes the men have not become stable and are "more indefinite as to what they want to do."

These young men, he asserted, are more difficult to sell on the idea of a career. He has found that those who do not look upon it as a career usually do not remain in the business.

The 25 to 35 years group Mr. Jenkins believes is the best. They are men who are more stable, he believes, men who have "found themselves." Men in the older age brackets, he believes, are less

susceptible to instruction and find study more difficult. On the other hand men in the younger groups will take to studying more readily although they tend to discourage more easily.

Insurance People on Safety Card

Many insurance people are participating in the annual safety convention and exposition of the Greater New York Safety Council in New York City April 3-6. Among them are Margaret Sinnott, head nurse of Metropolitan Life, who is chairman of the section on industrial nursing. Mrs. Kathleen K. Devine, of

the safety bureau of Metropolitan Life, is arranging the session on home safety. Metropolitan is an exhibitor. James J. Donlon, assistant staff supervisor, Metropolitan Life, is arranging the session on building management.

Late-Filing Companies Raise N. Y. Business Total

NEW YORK—Figures of three companies that had not filed their statements with the New York department when the tabulation of new business and insurance in force in New York

state printed in last week's issue was compiled bring the new business figure to \$3,966,644,032 and the in-force figure to \$32,857,517,455. The revised ordinary new business figure is \$2,053,612,685 and the revised ordinary in-force amount is \$21,753,040,602. The corresponding industrial totals are \$315,604,224 and \$3,582,898,713. The group totals remain the same.

Following are the companies new business and insurance in force.

Expressmen's Mut.	\$ 367,359	7,514,772
Lutheran Mutual	457,854	3,636,534
United Mutual	2,196,922	10,467,086
United Mutual (Indst.) ..	1,674,901	8,919,352



Our doubts turned to cheers!

says Mrs. Hugo Theimer, Mankato, Minnesota

"Hugo and I were getting along in years when we joined the Minnesota Mutual family. Teaching an old dog new tricks is a difficult assignment, so we had been skeptical of making the change. After five years we know that in selecting the Minnesota Mutual we made the wisest choice of our lives.

"For years after we were first married Hugo ran his own store, so he knew how to be his own boss. His earnings were more than ample to raise our three children generously. Then suddenly our prospering business was tragically wiped out by fire. At 49 Hugo had to seek a new life's work.

"After considering several opportunities Hugo became a life insurance salesman—was soon doing very well. He really enjoyed telling people about the protection that had meant so much to us through our married life and was a consistent producer. But having run his own business, Hugo did not like being an unimportant cog in a big machine, where there were few personal, human relationships.

"When our good friend Reuben Lackey—now our General Agent—suggested that in the Minnesota Mutual, Hugo would find the personal touch, we weren't so sure that changing jobs again would be wise. Then we were given a demonstration of the Minnesota Mutual's wonderful Organized Sales Plan. Immediately we knew that here was the career that Hugo had been seeking.

"Hugo says that with the Organized Sales Plan the Company's varied life contracts practically sell themselves. Prospects are more receptive. And Hugo is satisfying his desire to help the greatest possible number of people find security through life insurance.

"Thanks to the Minnesota Mutual, we have again that grand feeling of complete happiness and security ourselves."

Hugo Theimer joined The Minnesota Mutual May 22, 1945 and in his five years with the R. I. Lackey Agency has been a constant producer of quality business. He is a member of the M Club and in 1949 received 7% of first year commissions in extra club credits

as a quality award. The company's exclusive Organized Sales Plans with the new Success-O-Graph® are sales aids which Hugo finds indispensable.



Registered U. S. trademark.

Organized 1880
**The Minnesota Mutual
Life Insurance Company**

SAINT PAUL 1, MINNESOTA

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY
Saint Paul 1, Minnesota

I want to know how Hugo Theimer does it. I may be interested. No obligation to me, of course.

Name _____

Address _____

City _____ Zone _____ State _____

Protests Boost Hopes for Averting Discriminatory Integration Formula

The internal revenue bureau's apparent intention to promulgate without hearings an integration formula that would be highly discriminatory against individual retirement annuity and life insurance policies as compared with group annuities and self-insured plans seems to be yielding to protests and Nathaniel Seefurth, Northwestern Mutual, Chicago, chairman of the National Assn. of Life Underwriters federal law and legislation committee, is hopeful that hearings will be held and the whole matter explored, with an opportunity for all views to be presented and discussed.

The bureau had intended to have the integration formula ready by the March 15 income tax payment deadline and as the date approached without its being promulgated it appeared that the bureau was going to issue a formula based on its own ideas.

Contacted Leading Producers

Mr. Seefurth thereupon contacted a number of leading producers interested in pension plans based on individual policies and they in turn got their companies aroused about the situation. A meeting of interested home office representatives was scheduled for this week

in New York City at Life Insurance Assn. of America headquarters.

The basic drawback of the proposed formula, from an individual policy point of view, is that while it would permit an employer to pay 37½% of the excess over \$3,600 a year under a non-contributory plan integrating with social security if there were no death benefits before or after retirement, the maximum allowable would be 30% if there were such death benefits.

Kripke Speech Was Tip-Off

What the internal revenue bureau had in mind came out at the Jan. 18 meeting of the American Pension Conference in New York City, where Al Kripke, the bureau's actuary, said that it was expected that in the new regulations the bureau was considering adjusting the present 40% limit to 37½% and using this figure as the maximum limit for pension benefits under a non-contributory excess plan. This limit would be applicable only where there was no death benefit, either before or after retirement, provided by employer contributions.

Where the funding method provides death benefits equal to a return of premiums prior to retirement and a period

certain after retirement, there should be a lower limit, he said. The bureau is considering using 30% as the maximum limit for plans funded by the typical annuity contract with 10 years certain. This is a 20% reduction allocated roughly on the basis of one-half for the 10 years certain and one-half for the death benefit prior to retirement. Mr. Kripke stated that as a matter of fact the proper actuarial adjustment for these modifications would be considerably greater than 20%.

When retirement income contracts are used no further adjustment would be required, so long as the cost of insurance is reported as taxable income by the participants each year as they go along.

The integration requirements for these contracts would therefore be the same as for retirement annuities with the same period certain.

Office Equipment Shortage May Be Felt This Spring

The developing shortage in office equipment including typewriters, computers and more complex types of tabulating equipment that threatens to materialize this spring may have a more serious effect on company operations than it did during the war. This prediction is founded on the increased degree to which companies have mechanized their office methods and procedures. Much more reliance is placed on machines now than nine years ago.

The shortage has not yet developed but an approaching pinch is indicated by shortages in filling orders placed months ago. If the customary pattern is followed, a shortage will follow delayed deliveries by a few months.

Anticipated by Companies

Companies have not been caught entirely unprepared by the development. Many bought additional equipment last summer. Some ordered extra supplies, frequently at the behest of salesmen, knowing that the going would get tough.

The seriousness of the situation is inherent in the mechanization of practices such as premium billing, home office payroll and field records, etc. That some of the jobs that have been mechanized could not be done at all if the equipment broke down is one opinion. A temporary solution would be to work the machines now available 16 or 24 hours a day.

Some of the delay in arrival of equipment has been caused by padded orders from business organizations, many of them in self-defense because others were doing it too.

Some companies have cautioned departments to conserve paper, forms, etc. During the war cheaper paper had to be used even for policies.

The defense program's effect on office equipment will be stepped up by controls placed on copper and steel. Metal furniture, for example, is said to be on the way out. There is no sheet metal available to make it. Most supplies have been built up from the depleted store on hand after the war.

SMU New-Agent Course

The Southern Methodist University course launched a one-week indoctrination course for new agents beginning Jan. 29. The course is to supplement rather than supplant regular company training courses. Courses will be given each month and classes will be limited to 25. Cost will be \$25 for tuition and \$5 for supplies. Dormitory facilities and meals are available at \$17.50.

Manhattan Life has published a booklet, illustrated with cartoons, designed to make it easier to explain the technical aspects of insurance to women prospects.

Southwestern Life Advances Davenport as R. R. Lee Retires

Raymond R. Davenport, assistant agency director and director of sales

of Southwestern Life, has been elected vice-president and agency director. He succeeds Richard R. Lee, for nearly 50 years identified with life insurance in Texas and the southwest, who had asked to be relieved of those duties. He was elected vice-president emeritus and will continue as a director and remain with the company in an advisory capacity, working on special projects and assignments.

Mr. Davenport was graduated from Southern Methodist University, and joined Southwestern as an agent in at Munday, Tex., in 1933. He was named assistant manager at Houston in 1938, and in 1939 went to the home office as assistant director of sales. He was appointed assistant agency director in



R. R. Davenport



RICHARD R. LEE

1942, director of sales in 1944 and second vice-president in 1950. He is a C.L.U.

Mr. Lee entered life insurance in 1902 with New York Life at Jefferson City, Mo., serving that company later at Dallas, El Paso, New Orleans and in Oklahoma.

He joined Southwestern in 1914, became assistant secretary in 1920, secretary in 1924, a director in 1929 and vice-president and agency director later that year.

Planning Clinic at Miami

Mutual Benefit Life held a property planning clinic at Miami recently under the direction of George B. Gordon, director of advanced underwriting services, and James C. Wiggins, home office attorney.

Representatives of the Miami, Atlanta, Jacksonville and Columbia, S. C., agencies participated in seminar discussions on estate problems, business problems and employee benefit plans.

Mutual Life has arranged to loan Ventures, Ltd., a Canadian mining corporation, \$2,500,000 at 3½% interest on a secured note due in 1960 to be payable in annual installments.

Dominion Life is now issuing juvenile policies with full benefit at age 1 in the United States and with graded benefit to age 5 in Canada.

NUMBER THREE in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

EQUIPPED FOR SUCCESS

Field associates of the Equitable Life of Iowa are equipped for success. A direct mail system and a constructively developed range of promotional material provide effective pre-approach and prospecting assistance. Selling aids in the form of sales literature and proposal forms are available for point of sale use, while many and varied are the good-will and prestige-building items supplied for follow-up purposes. Of major importance among all Equitable of Iowa sales aids is the KEY TO SECURITY service, a comprehensive programming plan of amazing effectiveness.

EQUITABLE



Life Insurance Company
OF IOWA

FOUNDED IN 1867 IN DES MOINES

Semantics Training Needed by Agents to Better Skills

NEW YORK—"Until recently too little thought has been given to agent training methods that develop orientation towards specific individuals in their environment instead of to generalizations such as prospects, selling and the many other terms that characterize our business but confuse the public," Robert U. Redpath, Connecticut Mutual, said at the monthly meeting of the New York City Life Supervisors Assn.



R. U. Redpath

There is a great deal of difference in the receptivity accorded the agent by a business man, on being informed by his secretary that a life insurance agent is waiting for him, when that business man was turned down for insurance three years earlier and did not like it, he said, and the reception that agent will get from a man who received a college education because another agent insisted that his father buy an educational endowment.

In developing his theme of the need for a study of general semantics in the orientation of the agent he discussed extensively the writings of the late Alfred Korzybski whose books, "Manhood of Humanity" and "Science and Sanity", and seminars on that subject, are outstanding in their field.

The modern agent must be particularly sensitive to the dynamic relationships and changes that characterize life at many levels in our relatively free society, said Mr. Redpath, in order to insure his own survival.

Social Science Instrument

Life insurance in the middle of the 20th century, he said, is perhaps the most exact instrument yet devised by social scientists and certainly the most comprehensively applied. The agent should find it interesting and profitable to study all the varied expanding activities of man that are directed toward increasing individual and group predictability. The mathematical-verbal instrument represented by life insurance in 1951 permits him to help his contemporaries account for and adjust to the almost infinite range of differences and changes that can and do characterize individuals operating in a free series of environments. He referred to its time-binding qualities which enable a man to do something he plans to do whether he is then present or not.

Mr. Redpath, an habitual member of the Million Dollar Round Table, expressed the hope that in the near future an intensive seminar will be available for training agents, at every level of experience, in the formulation of general semantics and the methods of applying those formulas when they go to work to make their business more profitable, more interesting, and, from a human standpoint, more satisfying. His studies in this field have enlarged his own understanding of human interrelationships, a territory whose economic-social aspects can be mapped successfully and probably exclusively by the flexible instrument that the formulas, the checks and balances inherent in life insurance, make available.

Commenting on the doubling of the in-force figure in the last decade, Mr. Redpath said that he feels that following years of a big market, the business in the next decade will probably double again. In the past 15 years, he said, almost a trillion dollars of insurable life values have developed including individual insurance, social security and employee benefit plans. He estimates

that there are about \$400-\$500 billion of identifiable insurable values still uncovered in the corporate structure, predominantly in the key man field.

Mr. Redpath's talk on semantics, time-binding, and Korzybski was spell binding to the good turnout at the meeting. Many stayed on afterward to question him.

Employers, Insurers Oppose Mass. State Fund Sickness Bills

BOSTON—Massachusetts employers and insurers have joined to oppose cash sickness non-occupational disability benefits on a monopolistic state fund basis. Insurance men, however, are abstaining from participation in the controversy over alternative all-private or competitive state fund proposals.

After a week of hearings, the legislative committee on labor and statistics is now considering many bills concerning cash benefits. It is generally believed that the monopolistic state fund bill has a slim chance of being passed, while alternative bills have an equally gloomy outlook.

Massachusetts Federation of Labor

and C.I.O. are lined up as they were last year in support of a monopolistic state fund proposal for non-occupational disability. The bill at that time was defeated. This year, however, Gov. Dever has gone on record as supporting the state fund plan.

In denying a charge that a state fund would be socialistic, Secretary Kenney of Massachusetts Federation of Labor stated that sickness compensation is no more socialistic than the social security program. B. B. Priest, counsel for Insurance Federation of Massachusetts, in opposing the monopolistic bills, has declared that the workers of the state would storm the hearing in protest if they realized that the proposal would mean another governmental slice out of their pay.

Survey Shows How Many Women Hold Higher Level Positions in Insurance

WASHINGTON—Women's chances of becoming a vice-president in business are still slim, but a survey of women in higher level positions, conducted by the women's bureau, U. S. Department of Labor, indicates that opportunities for women to succeed in responsible jobs are good, even in some spots

formerly considered by management suitable only for men.

The survey, conducted in the home offices of insurers and in other establishments in Boston, Hartford, Chicago and Philadelphia, reveals that only in insurers were the majority of the women in higher level jobs occupying posts of a routine nature and with restricted responsibilities.

In insurance considerably more than half the women in higher level positions were college educated. Almost two-thirds of the 30,000 employees in the 30 home offices of insurance companies covered by the survey were women, but they held only one-fifth (nine hundred) of the higher level jobs.

Few Women Officers

There were few women officers in the companies covered, the greatest number being in life insurance in the smaller companies. About 10% of the women in higher level jobs were holding positions as executive secretaries or administrative assistants. All had administrative duties involving responsibility for carrying out the routine work of the office and acting in many matters for the officials when they were away.

Women held other important posts, such as mortgage and investment security analysts, attorneys, underwriters,

A New Family Protection Plan

LNL agents like to sell the company's new Family Protection Plan because it offers these advantages:

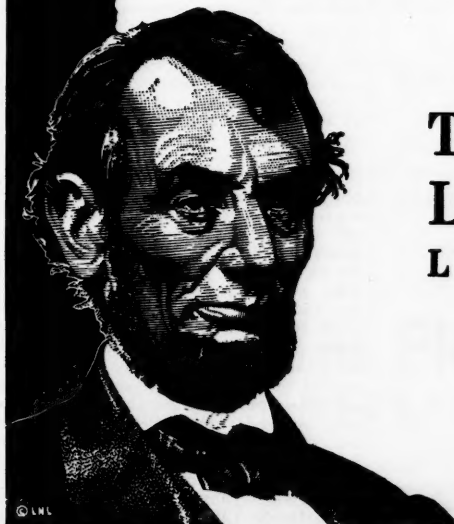
Long protection period. May continue until age 70.

Flexible protection period. Can be from 10 to 50 years.

Flexible income. A 20-year rider on a \$10,000 policy can provide from \$25 to \$200 per month.

Basic policy payable at death. As a lump sum or as income.

This newest addition to our already broad coverage is another reason for our proud claim that *LNL is geared to help its field men.*



The
LINCOLN NATIONAL
LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

and actuarial workers. There were two women in actuarial work who had become officers and five others in actuarial or statistical positions who were among the highest-paid women in their firms. Only two women in underwriting were found among the top-salaried women in their companies, and one woman in underwriting had become an officer. There were women attorneys in four of the companies covered, in addition to two women attorneys who had been made officers.

Personal history records showed that women promoted to good positions in underwriting departments owed their success to knowledge and skills acquired while working in the company. For actuarial work, advancement above a certain level appeared to depend upon years of specialized training, although there were possibilities for advancement to important statistical jobs in the actuarial departments for women who had majored in mathematics or otherwise secured a good background in mathematics.

A panel on answering objections to the purchase of A. & H. and hospitalization insurance was the feature of the March meeting of **Kansas Assn. of A. & H. Underwriters** at Wichita.

Mutual Life has lent **Duffy-Mott Co.** \$1,500,000 on a 15-year 4 1/4% note.

Life Insurance Sells Claims, W. A. Field Tells Chicago Groups

The life insurance business is actually one of soliciting and selling claims, William A. Field, claims manager of United of Chicago, told a joint dinner meeting Wednesday of Chicago Home Office Life Underwriters and Chicago Actuarial Club.

Amplifying this theme, Mr. Field pointed out that by far the great majority of death claims are promptly paid and, consequently, go virtually unnoticed by the public. Those few claims that are contested, however, receive widespread publicity, at least in the community where assured died, and are capable of great harm both to the company and the business as a whole.

Mr. Field in his talk mentioned various things an underwriter should do to prevent confusion about the intent of a policy, thereby making it easy to deliver what originally was sold, that is, the claim. It is difficult, he said, to convince a beneficiary either that there is no claim or that the amount rightfully due under a policy is less than the face amount.

Laying particular stress on clarity

as troublesome as it once was. He suggested that in making the designation every conceivable contingency be considered.

As an example, he said, the assured who wants his parents to have equal share in the proceeds, should designate the beneficiaries as "John and Mary Doe, parents of the assured" with some such wording as "to share and share alike or the survivor" added. This definitely establishes each as entitled to one-half of the proceeds and in the event that one beneficiary predeceases assured in death all proceeds go to the surviving beneficiary, rather than one-half to assured's estate, in which the survivor may or may not have an interest. He also touched upon the importance of naming a legal guardian when a minor is designated as beneficiary.

An extremely touchy situation, according to Mr. Field, is resistance of a claim for reasons of health where a medical examination was given the applicant. Unless it can be proved without a doubt that answers to questions in the application were absolutely false or definitely misleading, to the point of allaying suspicion as to the seriousness of such illness, then the claim is to be paid in full, Mr. Field stressed.

Mr. Field described a number of interesting claims which he has investigated, pointing out that often seemingly minor details prevent prompt settlement. While admitting there always will be claims that have to be resisted vigorously, the goal of all in the business should be to issue policies in such a manner that when claims arise they can be settled quickly.

A question and answer period, following Mr. Field's talk, brought out several additional points of interest. A. L. Guertin, actuary of American Life Convention, a guest at the meeting, expanded on the idea that life insurance is a business of paying claims by adding that it is the only reason the business exists. He injected a note of caution in emphasizing that it is up to insurance to fulfill this purpose if the business is to remain a private enterprise.

Bernard Rogers, Washington National, president of the underwriters association, presided at the meeting.

FEW SALES LOST

Organized Answers to Common Stock Fans Prove Potent

So far the argument put forth by many prospects that common stocks are a better hedge against inflation than life insurance is being met quite successfully by most agents, life company executives report.

As a matter of fact this very argument was anticipated many months ago and the training departments of most companies have been putting great stress on refuting it. Although a great deal of popular misconception still holds to the common stock theory, able agents have been able to argue successfully against it in almost every individual case.

According to George Avery White, president of State Mutual Life, his company's agents are using the argument that in this period when common stocks are selling at the highest prices in 20 years and dollars are selling at the lowest in 20 years, any prudent man would take advantage of the bargain. Sales, he adds, are increasing normally this year as compared with last and although inflation is very much in people's minds, he doubts whether they have been scared off to any great extent from the purchase of life insurance. Policyholders, he finds, do not have to be sold on this proof of the soundness of their investment for the company is receiving few questioning letters from them.

Likewise John A. Mayer, president of Reliance Life of Pittsburgh, says he

does not believe that the inflation argument should damage the sale of life insurance if the agents are properly trained to combat it. He points out that it might injure the sale of endowment forms and in some cases limited payment life but the basic reason for life insurance is now and always has been that of indemnifying the beneficiary for the untimely financial loss occasioned by the death of the breadwinner.

Such being the case, Mr. Mayer says, inflation is rather an argument for increasing the coverage to offset the depreciation in purchasing power of the dollar.

Life Salesmen Overseas Finding Ripe Pickings

Perusal of the list of Million Dollar Round Table qualifiers discloses a number of star salesmen who work in far-away places, most often in Latin America. Frequently these fellows bear Anglo-Saxon and non-Latin names and cause their North American colleagues to wonder how they got there. A talk with some of the men connected with the United States companies which write business overseas elicits the information that many of these men are British nationals and others are Americans who have gotten overseas with some large corporation or with the government and have stayed on to go into business for themselves. Selling life insurance is a natural profession for many of these men. They operate largely among the European and American colonies which are to be found in most of the principal cities of the world, although in many cases these insurance "outposts of empire" also sell life insurance to the nationals of the countries where they reside. Many of them are also in the fire and casualty insurance business, representing American and British companies. One such man, a Yankee, liked the climate, the people and the scenery in Lima, Peru, when he visited it as a tourist. He had some experience in selling life insurance in the United States, so he hung up his shingle in the South American city and has carried on this work there for 20 years.

These American and British expatriate salesmen are very frequently highly successful. They have little or no competition in their own areas. The British and Americans overseas like to buy their life insurance from fellow nationals and many of the influential native citizens prefer carrying coverage in British or American companies.

Many Americans Work Overseas

The great influx of American workers and experts into many parts of the globe has meant a richer market for Anglo-American insurance men on the scene. Many overseas workers have little to buy but insurance. The salesman is frequently in the enviable position of being the only insurance salesman within a thousand miles. It means a lot of travel for a man to cover such a "debit" but he is almost certain of a sale on every visit he makes and is welcomed by his clients as a kind of a wandering minstrel who will bring them news of the doings at the various towns he visits.

Frequently the American and European insurance salesmen in the remoter corners of the earth, and this is particularly true of the British, are entrepreneurs of a very versatile sort. The same man may be a representative of a banking system, of steamship companies, an import and export factor and a postal and consular representative at the same time he is a salesman of all forms of insurance.

There is every evidence that a chap who likes to travel and isn't afraid of some inconvenience can make a "go" of it selling life insurance wherever he can find a doctor of medicine to give his examinations.



Pressure?

It would be untruthful to say that American United's Agency Department operates without pressure. But—and this is a big but—it is an "understanding pressure"; a pressure that takes into account the value of good, sound business over mere volume; a pressure that recognizes human values; a pressure that can be best described as a "helpful push."

Staffed by successful, experienced field men, American United's Agency Department has been able to see and meet problems at the field level. It has developed an organization that works as a team—and has something to work with.



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

Life Insurance Bulk A. & H.

Acc. & Cas.
Aetna Life
Allstate
Amalgamated
Atlantic M.
Amer. Auto
Amer. Em.
Amer. Guar.
Amer. Mut.
Amer. Pol.
Am. Progr.
American
Amer. Sur.
Associated
Bankers I.
Benefit Ass.
Berkshire
Car & Ge.
Century
Central S.
Citizens C.
Columbia
Columbian
Commercial
Conn. Ger.
Cons. Tax.
Continental
Cosmopolit.
Eastern C.
Empire St.
Employers
Equitable
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Farm Bur.
Federal L.
Fidelity &
Fireman's
General A.
General F.
General F.
Glens Falls
Globe Ind.
Great Am.
Hardware
Hartford
Hearst
Home Ind.
Home Life
Indemnity
Interboro
Jamestown
John Har.
Liberty T.
London &
Loyal Pr.
Lumberm.
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Maryland
Mass. Bo.
Massachu.
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Mass. Pr.
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Newark
New York
N. A. A.
N. A. C.
N. Y. P.
Norwich
Ocean A.
Paul Re.
Peerless
Phoenix
Potomac
Preferred
Prudential
Public S.
Royal Ind.
St. Paul
Seaboard
Security
Security
Standard
State M.
Sun Ind.
Traveler
Union C.
Union L.
Union M.
United
U. S. C.
U. S. F.
U. S. G.
U. S. I.
Utica
Victory
Yorkshire
Totals
Grand
*For and net

Life Insurers Had Bulk of 1950 N. Y. A. & H. Premiums

	Direct Writings	Net Losses Inc.
Acc. & Cas.	\$ 66,626	\$ 22,874
Aetna Cas.	17,118	100,160
Aetna Life	9,440,081	5,805,580
Allstate	84	84
Amalgamated Life	3,233,438	3,482,023
Atlantic Mutual	91,137	76,717
Amer. Auto	104,276	52,309
Amer. Employers	83,708	42,664
Amer. Guar. & Liab.	26,696	23,523
Amer. Motorists	234,888	83,312
Amer. Mut. Liab.	606,114	215,595
Amer. Policyholders	126,604	63,252
Am. Progressive Health	579,218	217,882
American Re.*	39,269	33,340
Amer. Surety	11,437	10,187
Associated Indemnity	19,293	508
Bankers Indem.	19,172	4,491
Bankers Life, Iowa	292,685	152,915
Benefit Assn. Ry. Empl.	442,098	301,445
Berkshire Life	7,833	148
Car & General	1,666	956
Century Indemnity	294,546	98,715
Central Surety	3,827	920
Citizens Casualty	5,009	65,577
Columbia Casualty	21,998	12,687
Columbian Natl. Life	378,116	215,854
Commercial Cas.	1,771,536	969,290
Commercial Trav.	2,291,142	1,492,426
Cons. General	4,436,476	2,709,468
Cons. Taxpayers Mut.	45,066	6,106
Continental Cas.	8,552,936	3,636,259
Coastal Mut. Cas.	42,512	13,798
Eastern Cas.	155,439	383
Empire State Life	1,364,477	568,196
Employers Liab.	225,659	140,572
Empl. Mut. Liab., Wis.	370,031	268,869
Employers Reins.*	130,088	57,850
Equitable Society	11,372,833	7,605,490
Excess	79,002	.....
Exchange Mut. Ind.	22,126	12,173
Farm Bur. Mu. Auto	80,961	53,273
Federal L. & C.	1,559,683	445,840
Fidelity & Casualty	795,025	637,782
Pireman's Fund Ind.	376,544	143,451
General Accident	447,165	190,442
General Reins.*	120,998	148,312
General Trans. C. & S.	3,658	.....
Glens Falls Indem.	279,539	59,772
Globe Indem.	564,951	281,662
Great Amer. Indem.	82,190	13,517
Hardware Indem.	14,942	4,206
Hardware Mut. Cas.	50,409	52,821
Hartford Accident	1,111,972	325,826
Hearst Indem.	18,647	23,588
Home Indemnity	104,459	41,129
Home Life, N. Y.	327,464	55,596
Indemnity of N. A.	1,754,696	539,883
Interboro Mut.	13,816	8,462
Jamestown Mutual	19,237	10,883
John Hancock	4,253,927	2,335,553
Liberty Mutual	1,442,860	1,031,281
London & Lancashire In.	91,096	22,674
London Guar.	18,683	6,731
Loyal Protective Life	186,228	57,207
Lumbermens Mut. Cas.	1,446,305	885,811
Lumber Mut. Cas.	151,215	45,648
Manufacturers Cas.	49,152	15,326
Maryland Cas.	273,509	103,786
Mass. Bonding	592,424	250,485
Massachusetts Ind.	917,213	492,483
Mass. Mutual	687,618	360,329
Mass. Protective	723,156	375,020
Merchants Indem.	111	.....
Metropolitan Cas.	927,988	432,585
Metropolitan Life	17,432,213	9,830,471
Mich. Mut. Liab.	10,054	2,926
Monarch Life	1,518,585	669,275
Mut. Ben. H. & A.	10,824,409	7,982,627
National Casualty	2,504,561	1,490,192
National Surety	1,294	61
New Amsterdam Cas.	191,397	44,788
Newark	2,003	1,089
New York Casualty	18,723	10,701
N. A. Accident	1,346,329	390,503
N. A. C. & S. Re.*	483,991	117,138
N. Y. Pr. & Bkhd.	55,965	26,329
Norwich Union	703	162
Ocean Accident	169,198	70,411
Paul Revere	960,652	500,954
Peerless Casualty	148,582	50,520
Phoenix Indemnity	146,018	62,724
Potomac	1,474	690
Preferred Accident	189,856	37,698
Prudential	6,914,890	4,075,259
Public Service Mutual	35,853	25,947
Royal Indem.	377,603	153,918
St. Paul-Mercury	26,211	12,228
Seaboard Surety	104	.....
Security Mutual Cas.	13,784	16,324
Security Mut. Liab.	3,811	907
Security Mutual Life	576,808	275,525
Standard Accident	217,907	55,755
State Mutual Life	572,892	171,935
Sun Indem.	152,918	32,755
Travelers	12,109,426	6,766,900
Union Casualty	1,640,197	552,906
Union Labor Life	1,326,267	688,534
Union Mutual Life	342,624	74,789
United National Ind.	252	.....
U. S. Casualty	62,109	18,812
U. S. F. & G.	322,113	123,898
U. S. Guarantee	14,947	.....
U. S. Life	959,069	541,054
Utica Mutual	113,298	67,732
Victory Mutual	1,913	37
Yorkshire Indemnity	1,168	65
Zurich	1,154,380	820,681
Totals, Life Cos.	80,347,325	47,455,649
Totals, Cas. Cos.	48,757,323	26,315,460
Grand Totals	129,104,658	73,771,109

*For reinsurance companies net premiums and net losses incurred are reported.

TOP WOULD BE \$100 House Committee OKs Doubling NSLI Disability Income

WASHINGTON—The House veterans affairs committee has reported favorably bills providing that National Service life insurance dividends shall be applied in payment of premiums unless the insured requests them in cash; also to permit increase of disability income under NSLI policies from the present limit of \$50 to \$100 per month on a \$10,000 policy.

Such income could range from \$5 to \$100 monthly, the committee said, depending on amount of policy and premium paid, in cases of permanent and total disability.

\$115 to World War I Veterans

Veterans of the first war insured with U. S. Government life insurance, who have paid additional premium for total disability-income protection are entitled to \$115 monthly.

The committee had information that more than 40 commercial companies

provide such protection upon payment of additional premium, under which provisions monthly benefits range from \$100 to \$300.

The committee said the veterans administration is paying claims on 1,117 first world war veterans' policies who have paid for disability protection and in 65 cases of second world war veterans, average monthly payments being \$38. VA opposed the disability bill.

VA also opposed the other bill, under which the committee said a veteran who continues to pay NSLI premiums and does not draw dividends, would have the latter accumulated in the NSLI trust fund and be entitled to interest on such accumulation at the interest rate determined by the Treasury and VA. They could also withdraw dividends and revert to cash payment.

W.O.W., Omaha, Insurance in Force Passes \$1/2 Billion

Gains in membership, insurance in force, assets and reserves were made in 1950 by Woodmen of the World of Omaha.

With a net increase of 2,790 members, insurance in force reached \$505,844,969, an increase of \$11,351,412. Assets increased \$5,861,864 to total \$176,291,355,

and reserves, up \$4,363,063, totaled \$170,471,566.

More than \$8 million were paid to members and beneficiaries. Refund payments were \$1,351,358. The society also provided free tuberculosis treatment for 182 members at its hospital at San Antonio, Tex.

Bryant Associate Counsel

John R. Bryant has been named associate counsel of Republic National Life. He attended University of Minnesota and University of Texas and practiced law at Corpus Christi before joining the legal department of Atlantic Refining Co. at Dallas. Recently he has been with Prudential in its investment department at Dallas.

Woodmen Circle Correction

Some of the figures for Woodmen Circle were shown incorrectly in the tabulation in last week's issue giving data from companies' year-end statements. Surplus to policyholders should be \$7,823,478, insurance in force Dec. 31, 1950, should be \$123,385,597, increase in insurance in force should be \$106,419, premium income 1950 should be \$3,500,190, benefits paid in 1950 should be \$2,469,085, and total disbursements 1950 should be \$4,075,556.

Prudential security plans sell because they serve.



Thanks to Prudential's Temporary Income policy, Tom Gilmore has guaranteed his family a home of their own if he should die tomorrow.

Tom is 29 and has a 20-year installment mortgage for \$10,000. And for a little more than \$5.00 a month his Temporary Income policy will cover that mortgage from start to finish.

Philip Hudson, The Prudential Agent who sold this plan, says, "The Gilmores had to keep the cost down. That's why I suggested this decreasing term policy. If a prospect can afford a little more, I recommend a Decreasing Term rider with a basic policy. That way we cover the mortgage and increase permanent protection at the same time. In nearly all my sales I can find a Prudential plan that fits not only my prospect's needs—but also his pocketbook."

The above facts are based on actual cases in our files, but the names are fictitious.



The PRUDENTIAL INSURANCE COMPANY of AMERICA

A mutual life insurance company

HOME OFFICE
NEWARK, N. J.

WESTERN HOME OFFICE
LOS ANGELES, CALIF.

CANADIAN HEAD OFFICE
TORONTO, ONT.

EDITORIAL COMMENT

Use for Some of That Higher Commission

It looks as if New York's expense limitation law will surely be revised next year so as to permit companies licensed there to pay their agents more commission on a given amount of business. And since there is nothing quite so easy and pleasant as spending somebody else's money, we offer this suggestion as to what to do with a little of the added income that will result: Plow it into the business by raising the dues that members pay to the National Assn. of Life Underwriters so that N.A.L.U. will be able to hold its headquarters staff executives against any possible competition from companies or company organizations.

In the last few years N.A.L.U. has lost Donald F. Barnes, its director of research, to the Institute of Life Insurance, where he is director of promotion and advertising; James E. Rutherford, executive vice-president, to Prudential as vice-president; more recently James B. Hallett, general counsel, to the Travelers legal department, and just this week is announced the appointment of N.A.L.U. Actuary Gordon D. McKinney as a vice-president of Security Mutual Life of Binghamton, N. Y.

The fact that these men left N.A.L.U. is no reflection on the men, the companies that took them, or the N.A.L.U. The companies showed good sense in picking men of such obvious and proved ability. All these men were happy in their N.A.L.U. posts. But money talks. And no one who doesn't believe in serfdom would have it any other way.

It is no reflection on present N.A.L.U. headquarters personnel to consider it regrettable for N.A.L.U. that their predecessors were attracted elsewhere.

Quite the contrary, for it implies that the National association is in danger of losing present key men as their worth and capabilities become more and more widely recognized in company ranks, and that consequently the association should take steps to hold them.

This it can only do by placing itself in a position to compete on even terms with companies and company associations. And, barring an unexpected degree of increase in membership, that means raising the national dues above the present \$4 a year per member.

It was only 2½ years ago that the National association voted to increase its dues from the 21-year old figure of \$3 to the present \$4 rate. The vote was unanimous and while there was some grumbling it was mostly on the score that the increase had not been properly sold to the local associations, which were thinking in terms of the increase to their own members when needed increases in local dues were included.

Since the increase to \$4 took place so recently, there will doubtless be many who will shudder at the idea of advocating another increase. But if \$3 a year was a reasonable figure in 1940, then \$6 would be equally reasonable under today's inflated price conditions.

Professional organizations in many other fields, we venture to say, pay national dues of considerably more than \$4 a year per member. For an absurdly small additional amount per member per year N.A.L.U. could assure itself of keeping anyone against any conceivable financial attraction elsewhere in the business. If it doesn't, it will continue to run the risk of losing its most valuable men at the time when they are reaching their maximum usefulness.

The Need for Creative Investments

Addressing the American Economics Assn. at Chicago, Dr. Yale Brozen, professor of economics at Northwestern University, recently urged the "rechanneling" of American capital for the development of backward areas and industries. Prof. Brozen charged in summarizing preliminary findings in a detailed study of American industrial technology, that the "misallocation" of capital often is damaging to the industrial economy. He explained that capital usually flows to well-established enterprises in areas which need it least while the tax structure and interest rates make it increasingly difficult to obtain needed capital in

the least developed sectors of industry. Investment policies and interest rates favor business concerns which already are highly developed and which already produce high profits, while the reverse is true of industries which need development. The present tax structure permits well-established businesses to borrow federal government capital at zero cost by postponing the date of payment of personal income tax and corporate profits and using the money saved for investment capital, he said.

One frequently hears statements from thoughtful economists and business men similar to those by Prof. Brozen. These

men are for the most part economic conservatives, and their very conservatism urges them on to spotting and calling attention to weaknesses or potential weaknesses in the American economic structure. Certainly one of the points that bears watching is the difficulty which many new and smaller enterprises have in competing for capital. Too often the effect of investment policy is to starve enterprises and regions which need financial blood and to fatten to the point of being overweight the successful businesses. This has the effect of concentrating economic strength in certain large corporations and in those areas of the country which have already got a strong head start. Such a policy tends to discourage new venture enterprise which is vital to the competitive enterprise system.

Life insurance companies are, to indulge in understatement, important sources of capital for American business. It is true that because of the trustee nature of the life insurance company and because of statutory limitations upon the investment policies of such trustees, life insurance companies must be very cautious about pioneering in investment fields. But this does not free the life insurance company from striving to do what it can to bring about the most advantageous dispersal of funds possible to bolster the economic life of local and national communities. It would seem advisable for every life insurance company to make a point of earmarking

a certain portion of its investable funds every year to go in some unorthodox but promising direction. In addition to the obligation to its policyholders, the life insurance company has a further indirect obligation to them and to the nation of providing venture capital.

It requires careful study and evaluation of potentials to do any kind of a pioneering job in the investment field. This is especially difficult for small companies, but here is the opportunity for some of the companies to combine their talents. The life insurers must do all that they can, within reasonable bounds of investment safety, to help lick the problem. This kind of a job will only be done if the management of the individual company is constantly reminded of the need for a social-minded investment policy, because it is so much easier to follow the path of least resistance and invest only in the blue chip issues.

Injection of a little imagination into investment policy has paid off to many investors in the past and there is no reason to feel that such investments, carefully considered and creatively conceived will not prove very valuable in the future. No need for capital should be dismissed until it has been investigated.

The life insurance company is forced by its nature to be conservative, but at the same time life insurance companies represent such large concentrations of the wealth that they must distribute this capital in consciously equitable fashion.

PERSONAL SIDE OF THE BUSINESS

Richard B. Evans, president of Colonial Life, has been appointed a trustee of the community chest of the Oranges and Maplewood, N. J. He also has been elected a director of the chamber of commerce and civics in those cities. **Jacob Kraus, Jr.**, vice-president and treasurer, has been elected a director of Savings Investment & Trust Co. of East Orange.

Frank J. Brennan, Prudential agent, has been named "outstanding young man of the year" by the Kinston, N. C. Junior Chamber of Commerce and has been given the group's distinguished service award. He was cited for his leadership as president of the Civitan Club, especially as reflected in his conduct of the Community Chest drive in 1950.

W. C. Safford, vice-president of Western & Southern, has been reappointed a member of the Ohio bureau of unemployment advisory council.

Edward L. Rosenbaum, general agent of Mutual Benefit Life in Brooklyn, is recuperating from a kidney operation at Beth Israel hospital, New York City.

Herbert Davis, supervisor in the M. L. Camps agency of John Hancock Mutual Life at New York City, and

Miss Mary Jane Bastis, formerly secretary to Mr. Camps, were married recently.

Charles Corcoran, director of sales promotion Equitable Society, has been elected chairman of the Gotham group, Life Advertisers Assn.

Thomas E. Lovejoy, Jr., president Manhattan Life, has returned from a visit to Florida agencies.

Dr. Charles R. Henry, who has just retired as medical director of Provident Life & Accident, was born in 1886, just a few months before Provident was organized. He attended Vanderbilt University, and received his medical degree at Atlanta School of Medicine, now the medical department of Emory University. After serving in the medical corps during the first world war, he went with the Equitable Society and within two years was appointed assistant medical director, specializing in research. In 1923 he became associate medical director of State Life of Indiana, leaving that post in 1929 to join Provident. Dr. William R. Bishop, his successor, was educated at Roanoke College and Medical College of Virginia at Richmond. After serving in the army medical corps 1934-1939, he entered

private physician at Front Army with the service then appointed as director of Jefferson City, a ne

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THE NATIONAL UNDERWRITER

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private practice and with two other physicians established the first hospital at Front Royal, Va. He reentered the army with the rank of captain and left the service in 1946 as a colonel. He was then appointed assistant medical director of Jefferson Standard and later was named associate medical director.

Joseph R. Bixby, assistant secretary Kansas City Life, has been appointed director of the Central Bank of Kansas City, a new bank which opened March 1.

OBSERVATIONS

Why There Is No War Pool Yet

An insight into the difficulties involved in the creation of a life insurance atomic death pool was given managers of Metropolitan Life at their recent meeting in New York by Administrative Vice-president Samuel Milligan, head of the subcommittee on pooling of war risks of the joint committee on war problems of Life Insurance Assn. of America and American Life Convention.

Mr. Milligan said, "I think the idea is a good one; it remains to be seen, however, whether it can be implemented in a feasible and practical way. There are over 300 life insurance companies that might be interested in becoming members of such a pool. This means that over 300 boards of directors, over 300 presidents, over 300 actuaries, and over 300 lawyers must be satisfied with the proposal. Remembering how difficult it is to get even one board of directors, one president, one actuary and one lawyer to see eye to eye, it will be a difficult task to consummate a practical pooling arrangement when so many independently thinking people must be satisfied."

A Boost to Typing Students

General American Life will lend a typewriter to any employee who desires to learn to type and enrolls in a formal course of instruction or to employees who have had typing courses and wish to increase speed and accuracy to qualify for better positions. There are 20 typewriters available for these purposes.

Florida Retirement Haven

Metropolitan Life recently increased the retirement annuities of already retired employees, H. R. Bassford, chief actuary, said at the recent meeting of the company's managers in New York City. A group of the company's retired employees who will enjoy the increase have formed a social club at St. Petersburg, Fla. The club meets once a month during the winter. It has 82 members.

Few Beat the Tax Deadline

The desire of many producers to crowd pending year-end commissions into 1950 income, to be assured of paying income tax at 1950 rates, was not sufficiently intense or widespread to keep January production of ordinary from setting a new record for the month.

Many producers realized it would be shrewd business to pay income tax at 1950 rates rather than the 1951 rates that might well be considerably higher but there were not too many sales that they could accelerate, in spite of their wishes.

Graph Charts Debit Man's Rise

A graph of the agent's average weekly compensation made by Metropolitan Life shows that the weekly earnings of their agents in 1950 reached \$92.05 compared with \$91.39 in 1949 and with a low of \$41.95 in 1933. The curve indicates that an increasingly large proportion of the agent's income comes from regular ordinary business and from monthly premium business. The level of weekly premium income was about the same in 1950 as it was in the poorest year of 1933, amounting in both cases to between \$35 and \$40 a week out of the total earnings. The

increase in ordinary commissions did not become effective until Nov. 6, so there was insufficient time for them to materially affect the 1950 average, but it is expected they will add to the average earning in 1950 if the general level of production is maintained.

Good Results on SS Direct Mail

Guardian Life managers are getting good results from their direct mail material on social security. Agencies with carefully compiled mailing lists have had returns as high as 9 to 10% with the company prospect bureau's letter on social security. The over-all average is more than 4%, which is considered good since the letter offers information, not a gift.

DEATHS

GEORGE J. MECHERLE, 73, founder and chairman of the State Farm companies, died suddenly from a heart attack at his home at Bloomington, Ill. He had been in good health, and was at his desk as usual the previous day. Following a successful career as a farmer and tractor salesman, he founded State Farm Mutual Automobile in 1922. As companion companies he established State Farm Life and State Farm Fire & Casualty, both now large and successful companies.

In 1950 Mr. Mecherle was elected a director of U. S. Chamber of Commerce. He was a 33rd degree Mason and prominent in civics and political activities. He was a delegate to several Republican national conventions. One of his sons, Raymond P., is president of State Farm Mutual and another, G. Ermond, is secretary of that company. Both are vice-presidents of State Farm Life.

JOHN W. THOMSON, 69, retired vice-president and actuary of the North American Reassurance, died in Florida. Mr. Thomson, who came to this country from Scotland in 1922, retired in 1941.

SIMON P. JOHNSON, vice-president and director of Golden State Mutual Life of Los Angeles, passed away.

HOWARD L. PIERSON, JR., 42, assistant manager of Metropolitan Life in North Philadelphia, died in Abington Memorial Hospital.

JOHN R. ROACH, 60, retired assistant district manager of Prudential at Philadelphia, died in Naval Hospital there. He had been in the insurance business 33 years.

L. C. MEYERS, father of Stewart E. Meyers, general agent for Great Southern Life at Oklahoma City, died. He had been in ill health for several years.

CORRINE EASTMAN DAVIS, wife of Deane C. Davis, president of National Life of Vermont, died at her home in Barre after an illness of a year and a half. She was an alumnus of Mount Holyoke College and Boston University. She helped organize the Vermont Poetry Society.

Manager's Magazine Marks Its 25th Anniversary

Manager's Magazine, L.I.A.M.A. bi-monthly journal for managers and general agents, is marking its 25th anniversary with the March, 1951, issue. The anniversary issue, appropriately bound in silver cover, contains extra pages and a number of special features. An article by William P. Stowe, editor, chronicles "A Quarter Century of Conscience Stirring" and points up the problems managers have been concerned with from the '20s to the present day.

John Marshall Holcombe, Jr., managing director of the association and founder and first editor of the magazine, devotes his regular message to a discussion of the magazine's contribution to progress in agency management. Another regular feature, "Management Briefs," contains for the anniversary issue selections from articles written during the years which the editors believe have as much meaning today as when they were originally published.

A tradition of the magazine is the presentation of an award to the man-

ager contributing the best article each year. This is done during the annual N.A.L.U. convention.

Following Mr. Holcombe as editor was H. G. Kenagy, now a vice-president of Mutual Benefit, with Richard N. Ford, now editor of Manager's Handbook, as managing editor. Other editors have been: Philip Hewes, brokerage manager for the home office agency of Connecticut General; Kenilworth H. Mathus, now manager of the book department of Printer's Ink; Lewis W. S. Chapman, L.I.A.M.A. director of company relations; James E. Scholefield, vice-president North American Life & Casualty, and H. Fred Monley, director of the schools in agency management.

Ala. Franchise Tax Loses

The Alabama supreme court has turned down an attempt by the revenue department of that state to tax an allocated part of an insurance company's assets for a franchise tax based on capital employed in the state. The case is Alabama vs. Travelers, the test litigant.

The case, in process for several years, was instituted when the revenue department worked up a formula based on an insurer's Alabama premiums in relation to its over-all business. The plan related payrolls in the state to the national payroll total, and, in turn, to the insurer's assets excluding capital. It then attempted to place a franchise tax on the result. The unique construction of the statute was not enough to support the tax under the state constitution.

Western Reserve Names Two

Western Reserve Life has appointed Perry W. Miller agency secretary and has named Oscar T. Doell manager at San Antonio.

Mr. Miller has been with the company's San Angelo, Tex., agency. Prior to joining Western Reserve he was with

the metropolitan police department in Washington, D.C., and later was with the Travis county sheriff department at Austin.

Mr. Doell has been with the San Antonio agency of Bankers Life of Iowa. He is an army veteran.

Ill. "Exam" Date Changed

The date for examinations for Illinois agents and for brokers' licenses has been changed from March 23 to March 26 at 160 North LaSalle street in Chicago. Downstate examinations will be given beginning between May 7 and May 21 in the following order: Peoria, Moline, Rockford, Elgin, Kankakee, LaSalle, Bloomington, Champaign, Olney, Herrin, Centralia, East St. Louis, Quincy and Springfield. The state insurance license division issued 107,462 licenses during the year ending Feb. 28, 1951.

Leong Is "Man of Year"

United States Life has selected Edward L. H. Leong of the Brainard & Black agency of Honolulu, as "man of the year" for 1950. He produced over \$1 million on 91 lives, and becomes eligible for membership in the Million Dollar Round Table.

L.A.A. Southern Dates Set

The Southern Round Table of Life Insurance Advertisers Assn. will meet at Atlanta May 13-15. Three Atlanta advertising men will talk on L.A.A. problems at the Monday afternoon session. They are William W. Neal of Liller, Neal & Battle; Joseph V. Freitag of the Freitag Advertising Agency, and Dean Allen of Allen, McRae & Bealer.

Bankers Life of Iowa has installed a system of radio background music for its employees. The music is channeled from a Des Moines FM radio station.

Central Life
INSURANCE COMPANY OF ILLINOIS

211 W. Wacker Drive
CHICAGO

All forms of
LIFE—INCLUDING GROUP—A & H
Expanding . . . Agency Opportunities

ALFRED MAC ARTHUR
Chairman of the Board

J. HARRY WOOD
President

Franchises Available—Minnesota—Louisiana

If you have experience, preferably Hospitalization, and would like to associate with a growing company, investigate these opportunities now!

We are licensed in 23 states, and write a complete line of Life, Accident, Health and Hospitalization Coverages.

Write Martin Topper, Vice President, Director of Agencies

BENEFICIAL STANDARD LIFE INSURANCE CO.
756 South Spring St. Los Angeles 14, California

ACCIDENT AND HEALTH

H. & A. Conference Regionals Held at Kansas City, Dallas

H. & A. Underwriters Conference recently conducted regional meetings at Kansas City and Dallas.

The Kansas City meeting attracted 40 company people from Kansas, Missouri, Indiana, Nebraska and Colorado. F. E. Houston, Guarantee Mutual Life of Omaha, was in charge of the morning program, which was led off with a discussion by D. B. Alport, Business Men's Assurance, a member of the executive committee, on the conference program of activities.

Miller Afternoon Chairman

J. H. Torrance, B.M.A., talked on catastrophe coverage, outlining the several company policies now available. A report on insurance department action was given by C. O. Pauley, conference managing director, who also covered the senate health insurance study, the work of Health Insurance Council, hospital insurance, and social security as regards agents.

In the afternoon, Stanford Miller, Employers Reinsurance, was chairman. Roy A. MacDonald of the conference reviewed state legislation and then led a discussion of student accident coverage, industry premium income, and home office employee education. There was a good deal of interest in the student accident line, and W. J. McGettigan, Security Life & Accident, also took up this topic. The companies are interested in writing not only the sports group coverage, but the so-called "all-student group" as well as travel accident for students to and from school.

Big Attendance at Dallas

There were 80 on hand at Dallas from Texas, Arkansas, Arizona, Oklahoma, Colorado and Louisiana. The program was substantially the same, with Porter Bywaters, Employers Casualty, in charge of the morning program. The report on conference activities was given by Travis Wallace, Great American Reserve, and the principal talk was given by George B. Butler, Texas life insurance commissioner.

A. P. Dowlen, Republic National Life, was afternoon chairman. Mr. MacDonald spoke, and the student accident question was covered by R. L. Davis, American General Life of Houston. A hospital insurance discussion was led by William Murphy, American Hospital & Life, and Charles Scott, Great American Reserve, talked on catastrophe insurance.

International A. & H. Assn. Annual Plans Progressing

Elmer Wheeler, sales consultant, and Travis T. Wallace, president of Great American Reserve of Dallas, will be two of the headline speakers at the annual convention June 10-13 of International Assn. of A. & H. Underwriters at Dallas.

Bert Jaqua, director of insurance marketing at Southern Methodist University, will speak at the first business session.

Mr. Wheeler will talk at the luncheon June 11, and Mr. Wallace at the closing session.

Headquarters will be at the Baker hotel, and the association has made arrangements for handling an overflow registration. On tap for the ladies is a style show and a book review. There will be a social room available in which hostesses will assist in planning tours.

Skutt Predicts New A. & H. Premium Records for 1951

The volume of health, accident and hospitalization insurance to be written in 1951 will be the biggest in history, President V. J. Skutt of Mutual Benefit H. & A. declared in his talk at the sales conference of Buffalo A. & H. Assn. last week.

Mr. Skutt said accident, health and hospital insurance has grown at a faster rate in the last five years than any other phase of the insurance business. He estimated the premium income of companies in the A. & H. field for 1950 at \$1,250,000,000, about 10% higher than in 1949. The A. & H. companies paid more money out in claims in 1950 than their total premium income was five years ago, Mr. Skutt said.

John B. Lambert of Cleveland, president of International Assn. of A. & H. Underwriters, said that about 75,000,000 persons are now covered by voluntary A. & H. insurance programs of private companies.

About 200 attended the sales conference.

Eliminate 25 Group Minimum

The New York legislature has passed and sent to the governor a bill striking out the minimum of 25 lives for group A. & H. coverage. The proposal will allow companies to write by-product casualty lines on small groups. The sale of these by-products was encouraged by enactment of the disability benefits law. Statutory coverage

can be written on groups consisting of four or more.

Boadway Detroit President

Detroit A. & H. Underwriters Assn. has elected Harold A. Boadway, Paul Revere Life, president. Bruce Brown is 1st vice-president, Robert Gray 2nd vice-president and Robert Clark, secretary.

SALES MEETS

General Agents of New England Mutual to Meet in Florida

A joint conference of the General Agents Assn. and home office executives of the New England Mutual will be held at the Palm Beach Biltmore in Florida March 19-21. Chairmen for the three days will be Edward G. Mura, Kansas City, president of the General Agents Assn., Vice-president George L. Hunt and Rolla R. Hays, Jr., Los Angeles general agent.

Following a welcome to Florida by James H. Lipscomb, Jacksonville general agent, President O. Kelley Anderson and Chairman George Willard Smith will speak. A panel composed of Vice-president Walter Tebbetts; John L. Stearns, vice-president and actuary; John Barker, Jr., vice-president and general counsel, and Doane Arnold, assistant secretary, under the leadership of Mr. Hunt, will present information on new developments at the home office. Mr. Hunt also will lead a seminar on the newly-introduced group life and casualty program for field personnel.

At the business meeting Tuesday the General Agents Assn. will elect. Homer C. Chaney, director of agencies; Charles F. Collins, agency secretary, and William C. Gentry, assistant director of agencies, will report on agency department activities. "Recruiting and Hiring in a War Economy" will be discussed in panel form by these general agents: C. Vernon Bowes, Newark; Archie B. Carroll, Jr., Charlotte; Gordon E. Crosby, Jr., Seattle; Casper W. Haines, Philadelphia, and David S. Kamp, San Francisco, under the leadership of Mr. Gentry. At the dinner that evening William B. Wagner, general agent at Harrisburg, will be toastmaster.

Opening the program for the third day, Doris Montgomery, attorney and manager of the pension business department, will lead a panel on "Promoting Pension Trusts," including General

Agents Francis G. Bray, Houston; George H. Gruendel, Chicago; Lambert M. Huppeler and David Marks, Jr., both of New York City. "Simplifying Settlement Agreements" will be the topic of Robert J. Lawthers, director of benefits and estate planning. General Agents L. Mortimer Buckley, Dallas; Rolla R. Hays, Jr., H. Arthur Schmidt, New York City; W. L. Wadsworth, Buffalo, and Mr. Lawthers will participate in a discussion on "Stimulating Business Insurance," under the leadership of Mr. Chaney.

Wm. Eugene Hays, Boston general agent, will give the final talk, "In the Service of Our Country."

Reliance Agents Hear Mayer

The will to save must be encouraged and strengthened to combat further inflationary pressure, John A. Mayer, president of Reliance Life, stated at a sales meeting of western Pennsylvania representatives of the company, held at Pittsburgh.

Mr. Mayer doubts fear of inflation will damage the sale of life insurance. Since life insurance indemnifies the beneficiary for the untimely financial loss occasioned by death of a breadwinner, Mr. Mayer believes inflation is rather an argument for increasing coverage to offset the depreciation in the purchasing power of the dollar.

Norbert H. Wiedner, manager of the western Pennsylvania department, was chairman. Other speakers included Glenn G. Lamar, agency vice-president, and I. A. Cohen, a million dollar producer.

Continental Rally in Fla.

Continental Assurance will hold its president's club convention March 19-22 at Hollywood Beach, Fla. More than 125 qualifiers will attend. Panel discussions will include tax problems and current business and group insurance problems.

W. H. Walker will speak on "Global Strategy, Money and Us." He is president of a large building and loan association in the south and a member of the Department of Commerce committee on global strategy.

On hand from the home office will be Howard C. Reeder, executive vice-president, Harlow G. Brown, vice-president, Marshall B. Simms, superintendent of agents, Dr. Clifton L. Reeder, medical director, C. E. Carlson, chief underwriter, Albert Morrison, and Jacques Schurman, eastern and Canadian superintendents of agents, respectively.

Hold Wisconsin Regional

Agents of North American Life & Casualty from Madison, Green Bay and Milwaukee attended a one-day regional meeting at Milwaukee. E. O. Hammer, Milwaukee manager, was in charge. H. P. Skoglund, president, reported an 18% increase in life and A. & H. premiums written in Wisconsin in 1950.

Probe Kansas Commissioner

A special grand jury at Topeka before the week is out is expected to make a report on the case of Frank Sullivan, Kansas insurance commissioner. Complainant is Eunice Hyre, who was in charge of life companies of the Kansas department and who exited when Mr. Sullivan became commissioner. She ran for commissioner in the G.O.P. primary and got swamped. She got 1,200 signatures to a petition which in Kansas requires the calling of a grand jury. She charges that Mr. Sullivan went to conventions by motor and put railroad fare on the expense account and that he let a non-admitted life company operate in Kansas.

Ask W. Va. Premium Tax Hike

The West Virginia house has amended a tax measure to raise the levy on insurance premiums from 2% to 3%. The extra money would go for relief needs. The bill, not yet considered by the senate, comes up for a house vote this week.

North American Reassurance Company

J. Howard Oden, President

110 East 42nd Street

New York 17, N. Y.

LIFE REINSURANCE EXCLUSIVELY

LIFE AGENCY CHANGES

Travelers Fills 4 Managerial Posts

Travelers has made these managerial changes: Lawrence A. Lang has been appointed manager at Vancouver, B. C. He succeeds George B. Wilson who be-



L. A. Lang

comes manager at Duluth. Paul Light, who has been manager there, was appointed manager at New Orleans, as reported in THE NATIONAL UNDERWRITER for Feb. 16.

At Toledo, Henry F. Leutholt replaces R. W. Mussehl, who goes to Wash-



G. B. Wilson



H. F. Leutholt

ington, D. C., as manager. Mr. Mussehl succeeds John P. Stumpf, who died recently.

Mr. Lang has been with Travelers at Vancouver since 1946 and was made assistant manager there in 1948. He is a Canadian army veteran.

Mr. Wilson joined the company at Winnipeg, becoming assistant manager there in 1944. He became manager in 1947.

Mr. Leutholt has been at New York City since 1937. He became assistant manager there in 1942 and manager at the Radio City branch in 1947.

Mr. Mussehl has been at Toledo since 1939. He became assistant manager there in 1943 and manager in 1948.

W. R. Moore to Decatur Post

Connecticut Mutual Life has appointed W. Robert Moore general agent at Decatur, Ill. He has been with Provident Mutual since 1938.

Mr. Moore is an air force veteran. He is a member of the Million Dollar Round Table, a director of the Illinois and Decatur associations of life underwriters and has served for several years as national committeeman of the Decatur association.

John G. Whittle, who has been general agent at Decatur, resigned to become vice-president of the Millikin National Bank there.



W. R. Moore

Willard Ewing Resigns

Willard Ewing, for 12 years Provident Mutual Life general agent at Chicago, has resigned, though he will continue with the agency. William T. Moffly, assistant manager of agencies, will head the agency temporarily.

With the company nearly 38 years, Mr. Ewing started at the home office, became an agent at Philadelphia and later supervisor there. In 1925 he returned to the home office as agency assistant and assistant manager of agencies. Beginning in 1930 he served eight years as general agent at Kansas City before going to Chicago.

Powell Joins Federal Life

W. H. Powell, who has been with the C. B. Erwin companies at San Antonio, has been appointed general agent for Federal Life in northwest Texas and New Mexico, with headquarters at Amarillo.

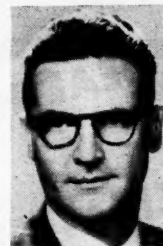
Mahler Regional Manager

Combined American of Dallas has appointed G. A. Mahler regional manager at Fort Worth. He entered insurance in 1930 with National Life & Accident at Wichita Falls, Tex. In 1933 he went with American National at San Angelo and in 1938 was sent to Fresno, Cal., as district manager for that company. He has been its district manager at Fort Worth since 1947.

Fleming Now Manhattan Life General Agent on Coast

M. Keith Fleming has been appointed general agent of Manhattan Life at Portland, Ore. He is a native of Portland, and has been in life insurance sales work since 1939, when he joined Kansas City Life as an agent.

Early in 1950 he went with Central Life of Iowa as a supervisor, leaving that position to become general agent of Manhattan.



M. Keith Fleming

Holmes to Marsh & McLennan

Philip B. Holmes has joined the Boston office of Marsh & McLennan. He has been in life insurance for 26 years. He was manager for Connecticut General in New York City from 1935 to 1940 and New Hampshire general agent for Massachusetts Mutual from 1946 to 1949. He is a navy veteran.

Berger Long Beach Assistant

Donald C. Berger has been promoted to assistant manager of Prudential at Long Beach, Cal. Walter B. Furman is manager.

Mr. Berger attended University of Redlands and joined Prudential at Los Angeles in 1946, following four years navy service. He transferred to Long Beach in 1947 and is now secretary of Long Beach Life Underwriters Assn.

R. E. Kellermeyer has been named assistant district manager of Commonwealth Life at Fort Wayne, Ind.

Bankers Life of Nebraska has named William B. Miller assistant general agent at Cleveland.

Manufacturers Life has appointed Frederick G. Chouinard agency assistant at Seattle. He has been with Aetna Life at Seattle for six years. He is an air force veteran.

Charles Moxhay, formerly a life supervisor for Travelers at 80 John street, New York City, has gone into personal production there as an agent for the company.



PEOPLES LIFE INSURANCE COMPANY

FRANKFORT, INDIANA

Forty-Fourth Annual Statement

December 31, 1950

ASSETS

United States Government Bonds	\$ 2,281,644.03	
Corporate, Public Utility and Other Bonds	10,947,946.40	
Total Bonds		\$13,229,590.43
First Mortgage Loans on Real Estate		7,367,061.85
Loans on Company's Policies		1,239,921.33
Stocks—Preferred and Common	\$ 64,800.00	
Insured Savings and Loan Shares	285,000.00	
Total Stocks		349,800.00
Cash in Banks		566,451.66
Net Outstanding Premiums		371,167.57
Real Estate, Including Home Office Building		74,252.63
Interest Due and Accrued and Other Assets		140,828.02
Total Admitted Assets		\$23,339,073.49

LIABILITIES

Reserve on Policies	\$18,825,186.16	
Reserve for Reduction in Interest Assumption	1,016,324.45	
Reserve for Trust Funds	927,321.80	
Reserve for Coupons and Policy Dividends	561,321.87	
Premiums and Interest Paid in Advance	309,023.70	
Reserve for Claims—Proofs Incomplete	61,764.00	
Reserve for Taxes	60,889.23	
All Other Liabilities	50,169.25	
Total Liabilities		\$21,812,000.46
Reserve for Contingencies	\$ 827,073.03	
Capital Stock	300,000.00	
Surplus Unassigned	400,000.00	
Total Surplus to Policyowners		1,527,073.03
Total		\$23,339,073.49
INSURANCE IN FORCE		\$104,558,981.00

COMPLETE PERSONAL INSURANCE COVERAGE

"REGISTERED
POLICY
PROTECTION"LIFE HEALTH
ACCIDENT
HOSPITALIZATION
MEDICAL and SURGICAL
REIMBURSEMENT
GROUP
FRANCHISE
BROKERAGE
REINSURANCEREPUBLIC NATIONAL LIFE
INSURANCE COMPANY

THEO. P. BEASLEY, President

HOME OFFICE

DALLAS, TEXAS

Life insurance in force exceeds \$310,000,000.00

13

of the 77 commuters killed
in the Long Island train
wreck of last November had
Accident policies in the
same Company.

Proving that concentrated
exposure is a real hazard.

IT IS REINSURABLE!

We have a special cover for
this exact contingency.

WRITE FOR DETAILS

Employers Reinsurance
Corporation

INSURANCE EXCHANGE • KANSAS CITY, MO.

NEWS OF LIFE ASSOCIATIONS

Wisconsin State Meeting
at Milwaukee May 10-12

Wisconsin Assn. of Life Underwriters will hold its annual meeting and spring sales congress at Hotel Pfister, Milwaukee, May 10-12. A. Jack Nussbaum, Massachusetts Mutual, Milwaukee is state president. Several other state groups also will hold meetings.

Life Insurance Leaders Round Table of Wisconsin will hold its annual meeting the afternoon of May 10, and General Agents & Life Managers Assn. of Wisconsin plans a dinner meeting. Friday morning the state association will conduct its business meeting, and Wisconsin C.L.U. has scheduled a luncheon.

The sales congress will open Friday afternoon, with the banquet that evening. The sales congress will be continued Saturday morning. At noon the state association board will meet to formulate plans for the coming year.

Preliminary to the state meeting, a group of officers will make a caravan tour of the state. The tentative schedule is: April 10, La Crosse; April 11, Eau Claire and Wausau; April 12, Marshfield and Neenah; April 18, Racine; April 19, Madison and Waukesha; April 20, Beloit; April 24, Marinette; April 25, Green Bay and Sheboygan-Manitowoc.

Making the circuit will be President Nussbaum, C. W. Tomlinson, Madison, executive vice-president; E. C. Ebersol, Milwaukee, vice-president; E. C. Schroder, Appleton, secretary; William H. Pryor, Milwaukee, national committeeman, and F. G. McNamara, Waukesha, immediate past president.

Schedule Wisconsin Seminar

The University of Wisconsin in cooperation with Wisconsin Assn. of Life Underwriters has scheduled a seminar in advanced techniques on the campus at Madison, Aug. 6-10. Subjects of study are to be legal and sales principles in estate planning and most of the lectures will be delivered by George Laiken, Milwaukee attorney, and counsel for the state association. Registration is limited to 75 agents.

Holcombe Chicago Speaker

John Marshall Holcombe, managing director of Life Insurance Agency Management Assn., will address the sales congress of Chicago Assn. of Life Underwriters at the LaSalle hotel April 13 on "Basic Concept of Life Insurance."

Cincinnati Speakers Named

The Cincinnati Sales Congress on March 16, in which the Dayton, Middletown, Hamilton and Northern Kentucky associations will participate, will have as speakers C. L. O'Quinn, assistant general agent, Aetna Life, Laurel, Miss.; W. E. Gehman, supervisor, New England Mutual Life, Philadelphia; C. B. Metheny, general agent, Fidelity Mutual Life, Pittsburgh, and G. W. Isgrig, general agent, Reliance Life, Cincinnati. W. W. Hartshorn, superintendent of agencies, central territory, Metropolitan Life, will be the luncheon speaker.

Craig and Leitman Slated

J. Lowell Craig, general agent of Northwestern Mutual, Milwaukee, and Rudolf Leitman, New York Life, Detroit, will address the one-day meeting of the Wisconsin Life Insurance Leaders Round Table at Milwaukee March 22. Mr. Craig will speak on "Estate Planning Today," and Mr. Leitman on "Money Nose."

W. Va. Congress at Fairmont

West Virginia Assn. of Life Underwriters will hold its annual sales congress April 27-28 at Fairmont under the auspices of the Fairmont associa-

tion. Robert E. Dineen, vice-president of Northwestern Mutual and former New York superintendent, will be the banquet speaker. Richard W. Campbell, general agent for Fidelity Mutual at Altoona and life member of the M.D.R.T., will speak at the closing luncheon Saturday.

Montreal—M. Roger Martel, Montreal manager of Alliance Nationale, spoke.

Des Moines—Earl M. Schwemm, Great-West Life, president of the Chicago Association, said life insurance is the best hedge against inflation and that "we should realize that low interest, high cost of living make it almost impossible for an individual to save enough for adequate retirement by the usual investment method of saving and accumulating."

South Bend, Ind.—Clair E. Miller, Fort Wayne, manager for Equitable Society, spoke on "The Simple Things That Bring Success."

San Antonio—Stanley E. Martin, Dallas general agent for State Mutual, gave his address, "Life Insurance and God."

O. P. Schnabel, Jefferson Standard, reported on the status of national and state legislation.

Milwaukee—Life insurance plans which embody a large element of saving always lose their attractiveness in an inflationary period, Arthur P. Becker, of the economics department of the University of Wisconsin declared. Ordinary contracts which stress protection of income for the family appeal during inflation. Price controls do not eliminate the fundamental cause of inflation and the way to end it is by higher taxes and elimination of non-essential government expenditures, he said. He termed deficit financing as the root of inflation.

Wichita—Keith Hayes, Mutual Life, Hutchinson, president of the Kansas association, spoke on "The Market Today."

Eau Claire, Wis.—E. M. Peterson, vice-president of American National Bank & Trust Co., Eau Claire, told the Chippewa Valley association that banking and life insurance do not compete with each other but actually work together for the accumulation of funds for the future.

Financial statements required in loan applications by banks, whether it be from corporations, an individually owned business or personal loans, have reference to life insurance owned by the applicants, Mr. Peterson pointed out. As a general rule, he added, a community is more stable and secure when there is a sizeable amount of life insurance in force on its citizens.

Miami, Fla.—Bert C. Nelson, Northwestern Mutual, Milwaukee, was the luncheon speaker. He took as his topic the title of his latest book, "Building a Business."

Bowling Green, Ky.—The Southern Kentucky association heard Rev. James A. Lollis, pastor of the First Christian Church of Bowling Green, speak on "Learning How to Live."

Ashland, Ky.—W. C. Petty, Home Life of New York, Huntington, W. Va., spoke on "Life Insurance and Character." He is a director of the West Virginia association.

Oklahoma City—John O. Todd, general agent for Northwestern Mutual Life at Chicago and Million Dollar Round Table chairman, will be the speaker at the March 21 meeting.

Phoenix, Ariz.—It is the agent's task to stop the trend away from personal responsibility and to spread the great doctrines of the American way of life: personal thrift, personal dignity and personal liberty, said John D. Moynahan, president of the National association. He stressed the fact that protection of the family is just as important as ever today during these troubled times of world conflict.

Fresno—George A. Landis, California state manager for Franklin Life, is speaking on March 16 on "Selling for Results."

Washington, D. C.—John D. Moynahan, Metropolitan Life, Berwyn, Ill., president of N.A.L.U., spoke. Candidates were nominated to be elected directors at the May meeting.

Bloomington, Ind.—W. C. Wildman, New York Life, Indianapolis, said that the value of a dollar depends on who has it. To a youth a dollar may be worth only 30 cents, to a widow it may be worth \$1.90 and to an old man worth even more. The function of life insur-

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ance, inflation or not, is to take cheaper, surplus dollars, keep them safe and compound interest on them and return them as necessity dollars, he declared.

Grand Island, Neb.—Speakers at the March meeting were Charles Stewart, Bankers Life of Nebraska; Virgil Morris, Guarantee Mutual; Beatrice Stewart, United Benefit Life; Walter Charlesworth, Prudential; Bill Burton, New York Life; Arden Wolf and Cora Hardin, Equitable Society.

Hartford—John D. Moynahan, president of the National association, was the speaker at the March meeting. Invited to the meeting were presidents of Hartford life companies, presidents of life underwriter associations throughout Connecticut, Commissioner Allyn and John Marshall Holcombe, Jr., of L.I.A.M.A.

Syracuse—Joe B. Long, manager of agencies of Provident Mutual Life, spoke on greater service through greater production at the March 15 luncheon.

POLICIES

New Pan-American Life Plans Are Announced

Pan-American Life has introduced a participating ordinary whole life plan for which the regular premium payable during the first three years is equal to 85% of the regular premium payable after three years. It is issued at ages 10 to 65 to both males and females in minimum amounts of \$10,000. It will be considered on a substandard basis.

Another new juvenile plan combines six major features: (1) Insurance protection for the face amount is provided to the policy anniversary nearest the insured's age 25 and premiums are payable only during this period. (2) A nominator agreement may be added to provide waiver of all future premiums in the event that the nominator dies or becomes disabled before the insured reaches age 25. (3) A nominator agreement including a family income provision may be attached. This rider provides the benefits of feature 2 plus a \$20 monthly income (per \$1,000 face amount) payable upon death of the nominator to the insured's age 25 or prior death. (4) Substantial guaranteed cash values are available, if needed, to pro-

vide a college education fund at age 18 or capital with which to begin a business career at age 25. (5) At age 25, policy becomes paid up and provides insurance protection for twice the face amount over the adult years up to age 65. (6) At age 65, this policy matures as an endowment for twice the face amount and thus provides a substantial sum for retirement.

Ohio State Term Changes

Ohio State Life has liberalized the basis of commissions on term conversions, retroactive to Jan. 1, 1951. On conversion made as of original date of issue of the term policy or supplemental contract, the commission shall be that payable on the policy to which the term is converted. The first year and renewal commissions which have been paid on the term policy will be subtracted from this.

Crown in Casualty Field

In line with its expansion of group activities, Crown Life is now writing group casualty in conjunction with group life in both Canada and the United States.

Issues Income Disability Riders

Protective Life of Alabama is now issuing disability riders providing for waiver of premiums from date of disability and payment of \$10 per \$1,000 monthly income beginning the sixth month of disability and continuing throughout disability until age 65 or until maturity of the policy, if earlier, at which time the face amount is payable.

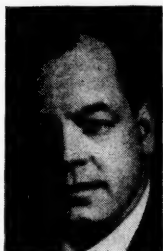
Age limits are 15 to 50, inclusive, and minimum monthly income disability benefit under the policy is \$25.

COMPANY MEN

Dowling Asst. Manager of Ohio Nat'l's Western Division

Ohio National Life has appointed Allen V. Dowling western division assistant manager with headquarters at Omaha. B. C. Butler is manager of the western division, which covers nine states and 31 general agencies. Hobe M. Ward, former assistant manager, was recently promoted to manager of the Pacific Coast division.

Mr. Dowling, a native of Nebraska, was educated at University of Maryland and spent several years in newspaper and public relations work in the east. In 1947 he returned to Nebraska to become director of the Nebraska division of resources under appointment of Gov. Peterson.



A. V. Dowling

Liberty Nat'l. P. R. Chief

Liberty National Life of Birmingham has named James L. Brakefield director of a newly created department of public relations. Mr. Brakefield entered life insurance with Family Reserve in 1949 as educational director. That company was recently purchased by Liberty National.

Mr. Brakefield had been a college professor for more than 20 years. Upon release from the army in the recent war he became a chamber of commerce executive. He studied at Union University, and Baylor and received a Ph.D. degree from the University of California.

Moore Agency Secretary

Ohio State Life has appointed John A. Moore agency secretary. He has had 15 years' field and home office experience.

LIFE INSURANCE ADVERTISERS ASSOCIATION

Award of Excellence

Liberty Freedom

SHORTLY BEFORE the outbreak of the Revolutionary War, an impassioned plea for liberty rang round the world. It was made by Patrick Henry, famed orator and "firebrand of the Revolution," who cried:

"I Know Not What Course Others May Take, But As For Me, Give Me Liberty, Or Give Me Death!"

The voice of this great American patriot was the voice of all men who cherished liberty and freedom above all material things.

One type of freedom we all seek today is financial freedom for ourselves and our families. As one of the South's oldest life insurance companies, Liberty Life is helping to assure financial freedom to more than 800,000 policyholders—men and women in all walks of life.

Your Liberty Life representative is qualified to show you how you can provide security for yourself and your loved ones through a Liberty Life insurance plan tailored to your particular needs. He will be pleased to help you.

FOUNDED 1905

LIBERTY LIFE INSURANCE COMPANY

Home Office
GREENVILLE, SOUTH CAROLINA

This is one of a series of Liberty Life newspaper advertisements which received the Award of Excellence of the Life Insurance Advertisers Association.

Boston Mutual Life Insurance Company

60TH ANNIVERSARY YEAR

posty cards

DESIGNED BY MEN FOR MEN TO SEND

Agents of some twenty life insurance companies now use Posty birthday cards.

INQUIRE

The Postlethwaite Co., Inc.
17 East 14th St.
Kansas City 6, Mo.

Easterners Lead Mutual

The Buffalo agency of Mutual Life, headed by W. Merle Smith, led all company agencies throughout the country in volume of insurance sold during

February.

The New York agency, managed by Charles J. Buesing, was first in number of policies sold and second in volume.



A STEADY FLOW OF "TOOLS"

We feel that a good salesman can become a topnotch salesman if he has the right selling "tools." Idea-packed letters, cards, folders and booklets help "hammer home" the sales.

That's why we keep up a continuous flow of fresh ideas to our agents. It's one of the reasons for our record growth . . . why we are one of the fastest growing insurance companies in the Middle West.

If you are interested in joining a "live" and growing company, write or phone our agency director, Wm. J. W. Merritt.

WISCONSIN NATIONAL LIFE INSURANCE COMPANY
Home Office: Oshkosh, Wis.

First Legal Reserve Stock Life Insurance Company Incorporated in Wisconsin

GENERAL AGENCY OPENINGS IN WISCONSIN, MICHIGAN, ILLINOIS, INDIANA, MINNESOTA

MANAGERS

Craig to Speak at Chicago

Chicago managers will hear W. Thomas Craig, Los Angeles, general agent for Aetna Life, at a luncheon meeting at the LaSalle hotel March 30. Mr. Craig's subject will be "The Main-spring of Agency Management." Ferrel N. Bean, John Hancock, is program chairman.

The final session of the round table on agency management will be held March 15. The basis for discussion is Hugh Bell's book on management methods.

Waddell Columbus Speaker

Robert N. Waddell, Connecticut Mutual, Pittsburgh, will address Columbus Life Managers & General Agents Assn. March 23.

Training Buffalo Topic

Sidney Wertimer, Prudential, and W. L. Wadsworth, New England Mutual, led a discussion on training at a luncheon of Buffalo Life Managers Assn.

Members of the Oklahoma General Agents & Managers Club were guests at an informal fish dinner given by Joe D. Morse, president of Home State Life, in the home office at Oklahoma City. The fish were caught by Mr. Morse in Mexico.

AGENCY NEWS

Thompson at Miami

John S. Thompson, president of Mutual Benefit Life, spoke at a luncheon at Miami given by Alfred J. Lewallen, general agent there.

"American insurance companies may have to pool their risks if and when the atom bomb falls here," he said. "It would not be right that some company operating in only one state should suffer extinction while other companies escape."

Speaking of inflation, Mr. Thompson said the nation now has four times as much money as formerly for what he calls "discretionary spending." He pointed out that many of those added dollars are potential insurance dollars.

Affeldt Receives Citation

Peter C. Zimmer, Prudential director of agencies for Wisconsin, Minnesota and Iowa, presented the President's Citation for accomplishment in 1950 to Otto F. Affeldt, head of Milwaukee 6 district, at a dinner at Milwaukee.

Pa. Watching I.W.O. Action

HARRISBURG, PA.—Pennsylvania will lift the charter of International Workers Order if the New York department is successful in its current attempt to stop activities of the allegedly Communistic fraternal on the grounds that it is a "hazard to the public." Commissioner Leslie stated he has a representative attending the New York proceedings.

I.W.O. has been officially branded by the U. S. Attorney General as a "disloyal" Commie front organization. According to I.W.O.'s 1950 report, it collected \$479,668 in premiums in Pennsylvania, and has 29,305 policies totaling \$23,435,344 in force there.

Makes Middle Age Study

Mutual Benefit Life will soon publish a guidebook designed to help middle-aged persons, comprising one-fifth of the U. S. population, plan for old age. A company study has shown that with pre-crises emphasis on youth and old age, programs for persons in the 40-plus age group have been neglected.

COMPANIES

R. D. Lowry Heads National Equity

National Equity Life of Little Rock has elected R. D. Lowry as president



R. D. Lowry

and his father, C. E. Lowry, founder and president of the company since its organization, has been elected chairman. E. W. Washington, Jr., who has headed agency operations for three years, was promoted to vice-president and agency director. Warner St. John, who has been in charge of mortgage loans for 20 years, was promoted to vice-president.

Franklin C. Seford, Jr., who has been with the company for 15 years was promoted from an assistant secretary to secretary to succeed R. D. Lowry. The new president, who has been secretary since 1947, graduated from the commerce school of University of Pennsylvania. He is a C.L.U. and sold life insurance for 10 years prior to entering the home office. He is a navy veteran of the recent war.

Balkema Named N.W. Nat'l Sales Promotion Manager

E. P. Balkema, for 15 years manager at Detroit for Northwestern National Life, is returning to the home office in the new post of sales production manager.

Mr. Balkema joined the company as an agent in 1929 and was named to the home office agency department in 1930.

Liberty L. & A. to Build

Plans are being made for erection of a new home office building on Terrace street at Myrtle avenue in Lansing, Mich., by Liberty Life & Accident. A two-story, modern structure is contemplated, costing upwards of \$100,000. Actual construction hinges on approval by federal authorities.

Sun Life Stock Dividend

Sun Life of Canada has declared a dividend of 75 cents per share payable April 1 to stockholders of record March 15. This is the first such dividend since the stock was subdivided on a 10 to 1 basis. Prior to the stock split the company paid the equivalent of 50 cents per share on the basis of the subdivided stock.

Wisconsin Nat'l. Offers Pension

Wisconsin National Life has adopted a retirement income plan and group life for agents of the company who earn \$1,200 a year in premiums or produce more than \$50,000 face amount in life and/or A. & H. The retirement plan guarantees retirement income at 65 integrated with social security approximating 50% of the average commission income of the agent.

Could Prevent Infant Deaths

Hundreds of fatal accidents to infants during the first year of life could be prevented by the person caring for the child, according to a survey by Metropolitan Life. Most frequent are those resulting from the swallowing of foreign objects left within the baby's reach and asphyxia caused by the regurgitation of milk and other liquid foods. Scalds from makeshift vaporizers, fires started by older children, strangulation, poisoning and drowning in the bath also take a considerable toll.



"It's Indianapolis Life for friendly service"

Friendly of course, and neighborly, too—that's the Indianapolis Life Insurance Company.

Thousands of policyholders have for 46 years found Indianapolis Life to be a quality company . . . always friendly . . . always helpful. They like the quick, neighborly service and sensible counsel Indianapolis Life and its agents give them.

And, if you're an agent, it's the kind of a company you are proud to represent . . . proud to work for. Indianapolis Life offers rich opportunities for men who wish successful careers as life underwriters.

INDIANAPOLIS LIFE
INSURANCE COMPANY
Mutual—Established 1905
INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES IN Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Texas

SALES IDEAS OF THE WEEK

Adapt Tested Practices to Mold Sales Technique

The way to increase production without increased effort is to adapt tested sales fundamentals to your individual methods of operation, a panel of nine field men advised 400 agents at the annual sales congress of the New York City Life Underwriters Assn.

Lambert M. Huppeler, New England Mutual, panel moderator, questioned the leading salesmen on the various parts of a sale. Occasionally he threw in some of his North Dakota humor to keep the audience attentive and in good spirits.

The panel members were Nicholas Aboltins, Mutual Life; Michael P. Coyle, Phoenix Mutual; Charles E. Drimal, Penna Mutual; Andrew F. Kinbacher and Charles S. McAllister, New England Mutual; James J. McCann, Home Life of New York; John V. Moller, Northwestern Mutual; Salvatore Scudato, Metropolitan Life, Irvington, N. J., and C. Bruce Wilkinson, Mutual Benefit Life.

Referred Leads

A basic source of prospects is the referred lead, the panel agreed. To secure such leads, ask the prospect whom he knows well in the insurable age group. Preferably the name should be qualified as to income. If the prospect is unable to think of any names, ask him who are his golf or pinocle companions. Find out with whom he commutes. Who is his competition? What about the fellow next door? Who has been promoted recently? Who has experienced any economic change that makes him a prospect?

The key to getting a referral is to do a service for the prospect. Ask him for the name of another person who needs such a service. Try this question: "Who is as successful as you are?" If on friendly terms with him, come right out and ask for several names.

One Panel member is active among his college alumni. He keeps his name before that group so that even if he doesn't know everyone in the group, when his name is mentioned, it strikes a bell in the memory of others who attended the school. Ask the client or prospect to replace himself on the list with one or two other names. Always be on the alert for new names.

Mr. Aboltins, who led Mutual Life in number of lives insured in 1950, is a Latvian who has been in this country less than three years. He has a unique prospecting system in which he circulates among Latvian native family groups in the 10 different states where he is licensed.

Using Phone Helps "Ego"

The panel suggested the agent vary the approach he uses, depending on where the lead originates. It can be followed up by mail or phone. Arrange an appointment. This saves time and an agent's ego. It is easier to take a "no" on the phone than in person.

Some use a letter to prospects informing them that they will be phoned for an interview. Perhaps even more important than the phraseology of the letters is the fact that sending them forces the agent to call a fixed number of people a day, say six. This keeps him at work. It opens up new situations. One panel member has the prospect or client write a card of introduction to the referred name for him.

Another likes to call on prospects in person. This makes it harder for them to say "no." This may be tougher on the ego, he admitted, but it gives an agent a chance to use his ingenuity. It often turns up opportunities to sell that don't happen in a strictly phone approach.

A business insurance suggestion was

to ask the client or prospect for the names of others in his trade association. "Try to sell the people you buy from."

In meeting the "I have an agent" objection, one agent asks: "Have you bought insurance recently? Have you arranged a tax free income for your wife? Will the company pay your premiums if you forget? Will it pay your premiums if you're disabled?" If the prospect answers yes to this sort of question undoubtedly he has a good agent. The panel member congratulates him for having his insurance in good order and finds a better prospect.

The audience applauded the comment that it is unfair to try to confuse a prospect to sell him. It agreed that it ruins the prestige of agents generally. It also disillusions the man who has insurance and thinks it is in good order.

If the prospect honestly means he will discuss insurance in three months, there is nothing the agent can do but mark up his calendar to return later. However, he should qualify the prospect's objections during the interview to be certain that the prospect has good reasons for not buying now.

Phone interviews are an ideal way for smoking out unreasonable objections that just can't be met because of individual attitudes.

Prospect Has Nothing to Lose

When the prospect says he is not interested in insurance tell him, "I'd be surprised if you were." Then explain that you have ideas that have helped his friends. The prospect has nothing to lose by listening to you and everything to gain.

As the interview begins, one panel member shows the prospect a letter endorsing his services written by someone the prospect knows.

Ask a young doctor if he would like, for \$5 a week, to guarantee that those who have made such a great investment in him will receive that amount in return if anything happens to him.

Not everyone needs estate planning. Doctors don't always go into consultations on serious injuries. Many people have common colds. Drawing an analogy for life insurance, the average person probably needs a few thousand dollars more of coverage before any estate planning job can be started.

Stress these four points: Show the prospect what insurance he has. Show him what it will do for him. Show him what it will do for his family. Show him what the insurance he needs costs.

Will He Sell at Half Price?

In talking insurance with the sole proprietor, ask: "Would you want to sell your business for half its value? Would you want your wife to sell it for half price?" Then say, "Well, she'll have to do that unless you do something now!" If the sole proprietor has a young son he intends to bring along in the business try to sell him enough income to take care of the first five years until the youth has gained sufficient experience to run the business as successfully as he does.

The panel concluded by listing five standard problems met in a sale. The agent must get over all these hurdles the prospect raises. They are "Don't need," "afraid of a trick," "terms not convenient," "afraid of the future" and "procrastination." He must plan the interview so that all these obstacles are overcome.

Don Wentworth, Travelers discussed "Does the Company Make Money on Your Business" at the March 14 meeting of San Francisco A. & H. Underwriters Assn.

FIVE PER CENT

It is interesting to speculate on the question of how much life insurance the people of this country would own if the purchasing of it had been left to their own initiative. One estimate placed at five per cent the amount of life insurance that men and women have bought on their own accord.

It all goes back to the fact that insurance represents future benefits and current self-denial. Few people have trained themselves to practice that kind of self-denial without having their convictions stirred by insurance salesmen.

All of which lends confirmation to the important role the insurance man plays in today's economic picture.



NORTH AMERICAN

Life and Casualty Company



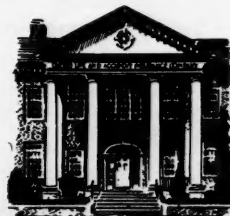
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HOME OFFICE: MINNEAPOLIS, MINNESOTA

H. P. SKOGLUND, President

It's the PLUS Value that Counts

When you can offer your assured HEALTH—ACCIDENT and HOSPITALIZATION in addition to the usual LIFE insurance program, then you are in an enviable position. If you want to know more about this ideal combination, write to Wm. D. Haller, Vice President and Agency Manager.



UNITED

LIFE AND ACCIDENT INSURANCE COMPANY

Concord, New Hampshire

Settlement Options Big Loss Producers

(CONTINUED FROM PAGE 4)

various alternatives, perhaps bolstering against unfavorable settlement option selections or annuities or increasing surplus.

The possibility of war and civilian bombing with greatly increased mortality may enhance sympathy for building surplus rather than strengthening reserves. The surplus is, in any event, a reserve against contingencies not anticipated in the premium calculation and war is one of those contingencies.

If, however, a company has a strong surplus position it might be more flexible in the event of a sudden unexpected drain than a company which has tagged its resources for special reserve strengthening. Funds used in reserve strengthening cannot be included in surplus. They are a liability. Of course, if a depression came along and there was a run for cash, companies might prefer to have the money in surplus rather than in reserves.

Agents become involved when reserve strengthening programs conflict with their desires for higher dividends. Moderation is needed on all sides to develop a solution which is best for the common good of the policyholders and the company.

May Hold Back

Some companies pay larger proportionate dividends than others. Perhaps the companies that can best "afford" to

pay them may decide not to do so, preferring to hold the money for leaner years.

A major problem in reserve strengthening is preserving equity between different classes of policyholders. There is a broad interplay of many factors to consider. If mortality improves, a margin is created on life insurance but at the same time there is a depletion on pure annuities.

One company when compared with another similar in all respects hasn't as much of a problem as the other company with a 15% lower gross premium and less margin.

Increased federal income taxes will not make it easier for companies to strengthen reserves and may even push some further behind in maintaining reserves at the level they desire.

ESTIMATE ELECTIONS

For some years companies strengthened reserves on supplementary contracts after the prejudicial option was selected. Recently many have been putting up this money in advance. This requires an estimate as to how many policyholders will elect settlement options of various kinds.

Below are figures showing what some companies have done. These figures are

in addition to the increases in reserve by reason of change in valuation basis. Some of the amounts are labeled specifically as reserves for settlement options not yet matured. Others are for older annuity or insurance reserves. Some are written into the upper part of the liability page with other policy liabilities while others are specially added below. The compilation does not include money in surplus but labeled for strengthening purposes which would stand against bad experience just as all surplus does, because those funds are not irrevocably committed to strengthening and could be used elsewhere.

Companies Listed

Companies and the amounts set aside are: Equitable Society, \$31,941,434; Home Life of New York, \$2,100,000; Mutual Life of New York, \$8 million; New York Life, \$40 million; Bankers of Iowa, \$12,261,289; Connecticut Mutual, \$12 million; John Hancock, \$50,500,000; Monarch Life, \$71,486; Northwestern Mutual, \$3 million; New England Mutual, \$5,682,325; Union Labor Life, \$100,000; Penn Mutual, \$2 million; Berkshire, \$200,000; Prudential, \$32,782,972; Farm Bureau, \$228,000; Metropolitan, \$20,876,378; Eastern, \$46,233; Mutual Life of Canada, \$18,442; Union Mutual, \$100,000; Empire State, \$107,535; Security Mutual, \$215,000; Guardian, \$558,000.

Since 1949 company statements have been showing losses or gains from settlement options in a separate column in the gain and loss exhibit. Formerly these gains or losses were distributed between annuities and life business. Contracts not involving life contingencies were shown under ordinary and those involving a life contingency were shown under annuities.

Cut Dividends on Disability

When companies began losing money on liberal disability at bargain rates they were able to cut dividends on policies containing the old loss-producing provisions. But losses on annuities and settlement options cannot be offset in that way, though group rates may be changed if experience turns sour.

The special contingency funds set up by some companies in surplus without tying them to any particular batches of business show their awareness of the problem but indicate that they have taken a different route to a solution.

Since losses on disability have been declining for some years, it is no longer the hot subject it was. The aim in New York is to get disability claim reserves on class 3 with one company having gone to class 3 at 2½%. On active lives for disability income benefits issued prior to 1935, prior to 1932 for some companies, the target is 165% of reserves on class 3. For waiver only benefits the goal is 150% of class 3 or straight class 3. Some new ideas may develop on disability reserve strengthening when an inter-company experience study now in process has been completed.

WANTS 3% BASIS

The New York department would like all reserves to be valued on an assumption no greater than 3% basis. This applies to life insurance, disability, double indemnity, where the aim is to change to the inter-company accidental death experience prior to 1947, and on annuities. The ultimate department objective is to have annuity reserves held at the 1937 standard annuity table basis. The same general standards apply to supplementary contracts involving and not involving life contingencies.

New York requires its companies to make a detailed study before undertaking a strengthening program, with the aim of deciding on what should be accomplished either as a partial or ultimate goal. It wants the program adopted by a company's board. The department wouldn't want the money going in as a reserve one year and then coming out again in another solely by actuarial decision. The board would have to act

again. The department closely scrutinizes reserve strengthening measures.

An underlying complexity is whether cash values should be increased when life policy reserves are strengthened. New York for the last three years has had a special showing in the gain and loss exhibit to develop information on what companies are doing along this line.

A thought which should be borne in mind in viewing the tabulations is that a company which has put a great volume of business on its books at low interest assumptions will not have anywhere near the reserve-strengthening problem, if there is one, that confronts a company that has in force a large volume of business written in the 1920s and 1930s at higher interest bases.

RISE IN TERM

Two of the columns show the increased proportion of term to ordinary in force in 1950 as compared with 1940.

The annual statement exhibit on term and whole life and endowment contains several indeterminate inaccuracies in that companies have no uniform nomenclature for family income and family maintenance riders which are written on ordinary or term policies. Thus there is no standard gauge by which all companies can be measured. Some companies may consider the whole amount as ordinary, or at least may have done so in 1940 and have changed their practice since. Some changes were induced by the greatly increased volume of these riders sold during the period.

The usual procedure is to classify the riders as term. Some companies, however, may not be able to break out the term element in a policy for reasons beyond their control, for example, the type of tabulating machinery in use. Some may not have written family income in 1940 and with them this factor is not involved.

Over-all, the proportions shown in the figures probably understate the actual volume of term in force. Some companies say that their whole life and endowment volume is watered down appreciably by the inclusion of family income.

Decreasing Term a Problem

On decreasing term policies some may show a large amount in the year of issue and then reduce it during the term of the policy. Most, however, show an average amount in the year of issue.

To further confuse the term picture it should be borne in mind that the figures include coverage under the extended term option. It seems safe to assume that there was more insurance proportionately on extended term in 1940 than in 1950 because of the greater number of terminations during the preceding depression. If that assumption is sound then the 1940 showing may be discounted slightly, making the 1950 figure more indicative of the increase in term sales and volume during the decade.

Offsetting this is the greater interest during a depressed period in taking cash values rather than extended term. Many policyholders drew on cash values until they had no extended term available.

A further discrepancy may appear with companies writing reinsurance, especially North American and Connecticut General. This is because of the appearance of accepted reinsurance written on the one year term basis in the in-force figure. This might affect a few other companies but not so appreciably.

The term and whole life and endowment figures exclude policy additions by dividends.

INTEREST DATA

The average rate of interest developed on a tabular basis is computed on a pure gain and loss exhibit formula and results in a figure which makes the companies appear to be in a better position than they actually are. The figures overstate the margin.

They include earnings on surplus and

WANT ADS

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER — LIFE EDITION

Managerial Opportunities in Illinois Indiana Michigan Kansas Nebraska

A leading Texas company has openings for agency managers in several key cities in these states.

Men with proven records of personal production or managerial experience will receive a liberal salary, office allowance, overwriting commissions. To agents we offer top commission contracts, a complete Home Office training program, par and non-par plans, standard and sub-standard, life, health & accident, hospitalization and surgical, and group, plus the utmost in sales cooperation.

Men who are looking for an opportunity with a future will do well to write us in detail about their background, experience, etc. Address D-93, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SECRETARY — FEMALE

Age 25 to 35. Interested in career in refined life agency office. Company operates two offices—Main office in Connecticut 40 miles from New York City and with direct wire to New York; Branch office in New York—Grand Central zone. One opening in each office. Aptitude for end accuracy with figures essential. Starting salary from \$200 to \$300 per month depending upon ability, experience and education. Replies held confidential. If in metropolitan area, call us at CYpress 2-6676; otherwise write us—Post Office Box 488, New Canaan, Connecticut.

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

COMPANY EXECUTIVES ATTENTION

A successful producer, Charters Life Underwriter, Manager, and General Agent with twenty four years life insurance experience desires a Home Office position in the Agency Department. Capable and willing to assume complete responsibility. My desire for broader activity prompts this advertisement. Age 49. Address E-18, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED HOME OFFICE MANAGER OF AGENCIES

Excellent opening for a qualified sales-trained agent or supervisor to grow with well organized young Company located north central state. Salary-plus Commissions or Bonus. Prefer ages 35 to 45. Please give complete details. Strictly confidential, and will have interview with you before making inquiries.

Address E-25, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXECUTIVE DIRECTOR AVAILABLE

Public Relations Advertising Sales Promotion

Under 40, draft exempt, with 10 years' experience home office of multiple line company. Progressive organization alert to importance of Public Relations as management function will be interested. Write in confidence for complete resumé. Box E-26, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

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other funds not included in reserves. The New York maximum of 10% of assets on surplus accumulation does not affect out-of-state companies and consequently, companies with a larger surplus may have a better appearing result.

A difference also arises in that some companies charge federal income taxes to investment income while some either put them in general expenses or split them between insurance and investment expense. A company charging federal taxes to investment income will have a lower earned interest figure than one that does not.

How Results Are Distorted

The results also may be skewed, for example, by the inclusion in the tabular interest of the lower interest required on group and on A. & H. Some of the figures that appear on page 8 or surplus page of the gain and loss exhibit are not carried over into page 9 reserves for consideration.

Some believe that the figures should include such things as discounted premiums paid in advance, the interest factor of which must be met so that a policy will pay its way at maturity.

INCOME TAXES

The federal income tax figures were computed by subtracting social security taxes from total federal taxes shown on the disbursement page. There is a source of error in the figures because of the delay in publication of the Treasury "secretary's ratio." Some companies pay their taxes on an installment basis and because of the delay not all income taxes payable are shown in the statements.

The actual amount of income tax payable on 1949 business can be approximated by multiplying the figures by four, since the disbursement total for most, if not all, the companies represents only the first quarterly installment.

Depending on the treatment companies accorded federal income taxes in 1949 statements, when some established liabilities for 1947-48 taxes, corresponding figures appear in the 1950 statements in the miscellaneous and surplus exhibit showing the return flow of that money to surplus. Some companies in 1949 statements made no mention of the retroactive taxes many thought they would be called upon to pay while others set aside money specifically to pay them. The fight against the retroactive tax led by President Thomas I. Parkinson of Equitable Society eventually resulted in the Senate's turnaround of the retroactive tax bill and won a victory for constitutional law and effected a great saving for the life business.

Equitable Increases Cover of Montgomery Ward Group

The casualty portion of the group program carried by Montgomery Ward & Co. of Chicago in Equitable Society has been substantially liberalized. The huge group embraces approximately 54,000 employees and between 20,000 and 25,000 dependent units. New surgical benefits are now provided on a \$200 schedule for both employees and dependents. The maximum sick benefits have been increased from \$25 per week to \$35. Daily hospital benefits have been increased for both employees and dependents.

Since the passage of the California U C D law, Montgomery Ward has covered 6,000 employees in the California state fund. The California employees of Montgomery Ward & Co. will now be offered an insured benefit plan with Equitable. Payment for first day accident, and for fourth day sickness, continuing for 26 weeks is provided, which is more liberal than the coverage offered by the state fund. The hospital benefits required under California law are provided and are supplemented by additional benefits under Ward's hospital plan. All of these changes go into effect April 1, 1951.

This group was first underwritten by Equitable in 1912. There was provided only life insurance and accidental death and dismemberment up until 1947. At this time, a self-insured sick benefit plan with limited hospital and minor surgical provisions was replaced with an insured sick benefit plan for employees, and daily hospital benefits for employees and dependents.

Would Prevent Agents from Using "Adviser" Title Under Tex. Licensing Proposal

Dwight W. Sleeper, chief consultant of Insurance Buyers Council, has written Commissioner George Butler of Texas, suggesting that in Mr. Butler's proposed licensing law for insurance advisers it would be a matter of equity, if licenses are given to insurance advisers as such, that no insurance agent or broker should be permitted to advertise himself as an insurance adviser unless he has a license.

Mr. Sleeper states that agents or brokers in dealing with customers necessarily have to form opinions and make recommendations, but if Texas intends to recognize the business of insurance adviser by adopting laws and regulating the practice and licensing of them, then the adviser is entitled to protection in his practice by having the title of adviser reserved to those who are legally authorized to hold themselves out to the public as such.

Favors Variety of Licenses

Mr. Sleeper goes on to say that he favors a law which will permit the commissioner to license an applicant only with respect to the kinds of insurance for which the board finds him qualified by knowledge and experience. A license might be issued to practice life only, or fire or casualty, or all lines, if qualified.

He also urged that Texas permit duly qualified non-residents to practice as advisers under the same requirements applying to residents.

The law to provide for licensing, Mr. Sleeper says, is "more likely to be promoted by the insurance agents and companies," but he suggests that the department determine the attitude of the buyers.

Finally, Mr. Sleeper said he hopes the department will recognize that the adviser must necessarily deal with buyers who may have a preference for stock or mutual, or reciprocal or Lloyds types of coverage, and the proposed law should have nothing in it which would tend to penalize an adviser who approves of use of any company licensed to operate in the state.

No Armed Services Cover Solution Seen Immediately

WASHINGTON — Interested congressmen do not expect further active consideration to be given to soldiers insurance legislation for some time—probably not until after legislation to extend the reciprocal trade agreement act is disposed of by the Senate finance committee. Senator George, head of the committee, is vitally interested in the veterans insurance measure, in view of his sponsorship of S.84, a substitute for the Rankin bill proposing a gratuitous indemnity system in lieu of National Service Life for future entrants into the armed service. Rep. Rankin does not expect the conference committee on veterans insurance legislation to meet for some time.

Meanwhile, Rankin has introduced a bill to provide \$10,000 gratuitous NSL for national guardsmen who die from injury incurred in line of duty or training for national defense.

Rep. Poulson has introduced a bill to waive payment of premiums on U. S. Government Life (converted) held by World War I veterans who have service-connected disabilities, when such insurance has been continuously in effect for 30 years, including any premium-waiver period.

Group Bills in Pa.

Up for consideration by the senate insurance committee in Pennsylvania is a bill introduced to increase from \$20,000 to \$40,000 the maximum coverage permitted on individual members under group life plans, also a bill to further define and regulate group A. & H. insurance.

Crime Voids Coverage

The Massachusetts supreme court has upheld a Suffolk superior court decision that Mrs. Bessie Malloy, Boston, although named beneficiary in two pol-

icies of John Hancock, was not entitled to the \$2,591 life insurance of her husband John F. Malloy, who was killed while committing a crime.

Tour Mutual Benefit Agencies

John S. Thompson, president, and H. Douglas Palmer, director of agent training, of Mutual Benefit Life are on an extensive trip to southern and mid-western general agencies.

Following visits to the Miami, Jacksonville, Atlanta, Birmingham, Jackson, Miss.; Nashville, and Louisville agencies, they will visit agencies at Lexington, St. Louis, and Kansas City.



"... Now, with this plan, at the age of 65, you'd be sitting pretty!"

Bankerslifemen Know How to Dramatize What They Offer

Dramatizing what they have to offer is regular practice with Bankerslifemen. We gladly report that we have never known of one to be as impolite about it as the illustration here shows.

Because they believe in what they have to offer, because they have the presentation material to dramatize that offering, and because they know how to make their presentation; Bankerslifemen are unusually successful in getting their prospects to recognize the values in their proposals. Thus, they are able to get prospects to act through their own dramatization of benefits.

His successful way of making presentations is just one more reason you will find the typical Bankerslifeman the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES



COMPLETE PROTECTION

Agency Franchises Available

JEFFERSON NATIONAL
Life Insurance Company
INDIANAPOLIS, INDIANA

Director's Observations on Eve of 100th L.I.A.M.A. Agency Management School

With the 100th school in agency management sponsored by L.I.A.M.A. due to be held at Chicago April 9-20, H. Fred Monley, director of the school since 1948, has prepared some interesting observations about the schools, excerpts from which follow:

The schools as presently constituted were actually started by what was then the Life Insurance Sales Research Bureau in 1929, growing out of four-day sessions begun in 1927 by the bureau. This represented a pioneering effort in a field where formal education and training were then unknown. Since then there have been 4,791 graduates in 99 schools.

Characteristic of all the schools is the esprit de corps which develops, making each class believe that there could not be another team with the same high morale. This is far from accidental or incidental and is at least partially the result of some traditional devices employed which set aside the L.I.A.M.A.



H. Fred Monley

schools from the general run of insurance schools. One such innovation is the creation in each class of a sergeant-at-arms who is appointed on the first day and placed permanently at the rear of the room. It is his responsibility to see that classes start and stop on time and that everyone is prompt in attending all sessions. Misdemeanors such as tardiness are subject to a fine of 25 cents. An instructor who runs over his allotted 55 minute lecture is fined 50 cents. Money collected by the sergeant is distributed in accordance with the wishes of the class at the end of the school.

The "Beer Barrel Polka" is the substitute for the school bell. Each class is started with the playing of this tune on a phonograph record. Recorded music is played during intermissions.

"Honest John" Reviews Day

The "honest John" review is a device to insure careful note-taking during the classroom session and some evening study. Each day is opened with a game of chance in which one student is chosen from the group to come up before the class and give a 10 minute review of the previous day's session. The night before each member of the class has to write out in outline form such a review of the day. If he should be a

victim of the "honest John" game, he is the one who must present his review.

Graduates of the schools have reported that one of the most lasting values of the school is the set of written plans prepared by each student while there or immediately after attending for the future growth of his agency. Each student analyzes on paper the way he has been managing his agency in the light of what he learned at the school and then plans definite steps he will take for more efficient agency operation in the future. He combines this self-critique with projects in six areas applied to his agency. This material the individual manager submits to his home office within a month after he attends the school.

Group conferences are scheduled during the school for members of the class who express an interest in studying a specific agency problem in more detail than is possible in the classroom. Personal conferences with the staff are encouraged.

Chance to Get Away

Probably the most important thing that the L.I.A.M.A. school does for a manager is to give him a broad concept of and a new enthusiasm for the job of agency management and his part in it. It affords him a detailed summary of practical information on the agency building. It provides him the opportunity to get away from the every-day routine of his agency and, in company with about 60 other managers, study principles and practices of successful agency operation. It lays great stress on planning and provides the manager a foundation on which to build the future of his agency.

It is interesting that, because of the constantly changing complexion of the school, many graduates make it a practice to return every four or five years and also to attend the graduate school and the school for home office agency executives in addition.

The class sessions in the modern schools run for five hours each day, five days a week for two weeks. A prepared schedule is followed closely with ample time for discussion. The case method is used in treating subjects which lend themselves to this kind of teaching. The basic, underlying theme of every school is that the job of the agency manager is one of building an agency composed of successful, happy, permanent life insurance agents. The first two days of the school are devoted to the business management side of the manager's job, the remainder of the school to the sales management side.

Curriculum Matches Times

The school today differs considerably from the school of 1929 and even from the school of 1946, because each year in the early part of January, the entire teaching staff of L.I.A.M.A. gathers in conference and examines critically the entire pattern of the school. Each lecture hour is appraised in the light of current conditions and research developments. Because each school benefits from the experience of all previous schools and all previous graduates, the curriculum and lecture hour content has experienced a cumulative development. New ideas, methods and subjects have been substituted for material of a less urgent nature from year to year, but the management principles remain the same.

It is often asked whether the management schools conflict with other management training programs. They do not. There is no sharp line of demarcation between the various management, education and training facilities available on the institutional level. There is no clearly established sequence in which the programs should be undertaken by a manager. Each supplements and augments the other. In addition to the management schools and company-sponsored training programs, there are the round tables in agency management sponsored by N.A.L.U., the study program of the American College, the area management conferences and the institutes sponsored at various colleges and universities. Each of these facilities can

be fitted to the needs of the individual. No one ever attended a school in agency management and said that the school duplicated what he had learned in any other management training activity.

Four Advanced by Southland

Southland Life has promoted W. L. Candler from assistant secretary to vice-



W. L. Candler



R. L. Dillard, Jr.

president; R. L. Dillard, Jr., from general attorney to vice-president and general counsel, Ben H. Carpenter to vice-



D. G. Hendrix



B. H. Carpenter

president and D. G. Hendrix to assistant secretary.

Newly elected to the board were John L. Briggs, vice-president, and John E. Mangrum, assistant treasurer.

RECORDS

Ordinary insurance issued and paid for in **Bankers Life of Iowa** in January totaled \$9,109,541—more than \$1.3 million above January, 1950. Group insurance totaled \$2,130,500, bringing the total issued and paid for in January to \$11,240,041.

Insurance in force Jan. 31 totaled \$1,563,406,740, including \$1,257,359,232 ordinary and \$306,047,508 group.

Agents of **John Hancock's** district agency department wrote \$162,210,633 for the first six weeks in 1951, exceeding by \$11,126,214 a similar period in the company's greatest year.

Great-West Life's new business in February, \$28,287,485, was 38% ahead of last year and represented the best February in company history.

Chicago, again leading the entire field organization, topped \$2.4 million, for its best month since April, 1949. Leading individual producer for the month was Brien O'Brien of Fort William, Ont., with \$310,000 placed business. R. M. Hirsch, Chicago, was the top U. S. representative.

Jefferson Standard Life's new business in February was the largest ever for that month, totaling \$13,169,000. The company for 1951 has set a goal of \$1 billion life insurance in force. It is expected that the figure will be reached well before the year is out.

Paid for business of **Central Life of Iowa** for January and February was up 35% over the corresponding months of 1950.

Baltimore Life has presented its highest agency award, the Burns plaque, to the district manager at Butler, Pa. Samuel R. McKinney. John B. Giorgio, district manager at Norristown, Pa., was runner-up.

Holgar J. Johnson, president of Institute of Life Insurance, addressed a luncheon meeting at New York City of New York chapter of American Assn. of Newspaper Representatives.

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improves performance**

In Life Insurance, the fine
balance of past history,
present progress and future
objectives is essential to
outstanding achievement.

Fidelity is a well-balanced
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PHILADELPHIA • PENNSYLVANIA

CHARTERED
1854



**MONUMENTAL LIFE
INSURANCE COMPANY**

HOME OFFICE • CHARLES and CHASE STREETS
BALTIMORE

Traynor Appraises 1951 Outlook for Mortgage Loans

Barring all-out war, the mortgage investment outlook for 1951 is, or will be, excellent, according to an article by John P. Traynor, vice-president and manager of real estate mortgages for Mutual Life, in the New York Herald Tribune.

As favorable factors Mr. Traynor cited: (1) Builders and investment outlets have carried over into this year a tremendous backlog of unclosed business although the recent imposition of regulation X, and FHA and VA credit regulations will slow up future loan applications. But as of now, he writes, there are so many exemptions from the regulations that the effects will not be apparent until later in the year, or until more stringent regulations come along; (2) though the volume of housing units will fall to about 800,000 in 1951 that quantity in itself will produce a sizable amount of financing. In any year before 1950's unprecedented activity, a volume equal to that would have been considered most acceptable; (3) rising costs and regulation X will push up the selling prices of older houses which will mean considerable financing; (4) national defense production will spur migrations of workers and will produce dislocation in the housing field. It may at the same time create new housing needs and mortgage financing.

On the unfavorable side are: (1) Building restrictions and material shortages will arise if the international situation worsens. Residential developments, while not yet directly affected by construction limitations, will find that shopping centers and similar projects must be postponed; (2) much of the buying public may be priced out of the realty market if building costs rise too sharply in the swell of inflation; (3) new loan applications definitely will be reduced because of housing and credit restrictions.

Suit Seeks to Lift Mo. Ban on Insured Savings Plans

Mutual Bank & Trust of St. Louis and Missouri Ins. Co., of St. Louis have brought suit for a declaratory judgment against the Missouri finance commissioner and the insurance superintendent requesting the court to declare the insuring of savings bank depositors under group life insurance plans to be legally valid.

Recently the Missouri attorney-general gave an opinion holding such plans illegal but not until after one such plan had been written. Pending the outcome of the litigation the Missouri department will not permit additional plans to be filed but is not revoking policies already in effect.

INCREASE YOUR INCOME

You make more money selling when you represent a society that has a complete line of modern life insurance contracts.

Life insurance contracts that provide **PROTECTION** to take care of every need—**INCOME** for the insured—**PROTECTION FOR DEPENDENTS**—**EDUCATION** of children—**MORTGAGE** payment—**ACCIDENT** protection—**SALARY** replacement, help increase sales.

Rates and Reserves based on the latest and most modern C.S.O. mortality table and 2½% interest assumption.

For information write to

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Neenah, Wisconsin

THE WOMAN'S BENEFIT ASSOCIATION

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Brokers Starring In Life Selling At Chicago

Outstanding feature of the current life insurance sales picture in Chicago is the tremendous volume of business which brokers are turning in. A general broker from Chicago led Aetna Life for the year and another one paced Mutual Life during November. The same story is repeated with many of the other agencies. Some brokers have always written considerable life insurance in Chicago, but never anywhere near what they seem to be writing today. In agencies which are mixed, depending both upon full-time agents and brokers, the brokers are writing a considerable amount more in comparison to full time agents than they have ever written before. Average case size per broker is very large.

It is impossible to analyze all of the reasons for this trend, but one good reason for this is that brokers are coming to realize the possibilities of life insurance sales among present insurance clients. A number of the business insurance cases and group insurance cases being written in the city come through brokers with commercial contacts.

Most interesting explanation advanced by general agents for the phenomenon is that there is a recognition of the value of life insurance today by many business men who actually purchase life insurance rather than have it sold to them. Much life insurance is being distributed this way in Chicago today. The business man will figure that he wants some more life insurance and perhaps business insurance and he will actually bring the matter up to his broker rather than wait for the broker or a full-time life insurance man to bring the matter up to him. Brokers are essentially low pressure salesmen who confine much of their activity to order taking on essential coverages that do not have to be sold. These fellows are for the first time able to put quite a bit of life insurance on the books without much selling.

Bill Giving Right to Convert Group to Term Passes N. Y. Legislature

The New York legislature has passed a bill changing group life policy standard provisions to give an employee an employment termination option on a convertible term policy for one year. At present group conversion rights are limited to whole life or higher premium forms. The bill, if signed by the governor, becomes law Sept. 1. A second amendment says that if the group policy has been in force for five years and is then terminated by employer or insurer, an employee who has been insured for three years prior to the termination has similar conversion privileges up to \$4,000.

Stagg Boston Manager

Howard J. Stagg has been named manager at Boston for Connecticut General. He joined the company in 1946 and recently has been in the home office agency department.

Douglas Heads Policy Board

Lewis W. Douglas, chairman of Mutual Life, has been named chairman of the national policy board of the American Assembly sponsored by Columbia University. At its first conference in May the assembly will discuss America's foreign relations problems to develop opinions and facts which will help clarify national thinking on the subject.

Robert R. Reno, Sr., 83, father of Robert R. Reno, Jr., of Equitable Society, Chicago, died at Chicago. He was a retired accountant. He suffered a stroke last June.

Whitley to Ohio National

Ohio National Life has appointed George H. Whitley, Jr., general agent at Salt Lake City. He has been with Business Men's Assurance. He has been a resident of Utah for many years and is active in civic work.



G. H. Whitley, Jr.

New Committee on Aging

WASHINGTON — Clark Tibbitts of U. S. public health service has been named by Federal Security Administrator Ewing as chairman of its new committee on aging and geriatrics.

FSA said the committee, working with private organizations and government agencies, has as its major purposes to develop methods for integration of older persons into the mobilization effort; to continue collection of information about characteristics and potentialities of older people, their problems

and programs to meet such problems; to satisfy the increasing demand for information and guidance to public and private organizations interested in fitting older people into active participation in normal family, social and community activities.

Prudential Premium Notice Printer Nine Times Faster

Thirty-five members of Life Office Management Assn. recently saw a demonstration of a new high-speed printing machine at Prudential's home office. It is controlled by an electronic "brain" and is capable of printing 200 premium notices a minute. The machine was developed by Control Instrument Co. of Brooklyn and is nine times as fast as those now used by the company.

James M. Hamill, leading agent of the Hemphill agency of Equitable Society at San Francisco, has qualified for the Million Dollar Round Table for the sixth consecutive time. Albert F. Pfaff, the agency's district manager at Burlingame, has qualified for the Million Dollar Round Table and Equitable's Million Dollar Club.

Right in Your Own Home Town...

THERE ARE always more opportunities in a rapidly expanding organization. We may have the best opportunity for you right in your own home town. Ask our Agency department.

CROWN LIFE

INSURANCE COMPANY

HOME OFFICE, TORONTO, CANADA

The Crown Life is now licensed to operate in Alaska, Arizona, California, District of Columbia, Hawaii, Idaho, Indiana, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Puerto Rico, Texas, Virgin Islands, Washington.

Life Companies Back New Credit Program

(CONTINUED FROM PAGE 1)

issue as others. The new bonds are exchangeable for five-year 1½% notes. Response by volume will not be available until after March 26.

GET ANTI-TRUST CLEARANCE

WASHINGTON—The justice department has granted anti-trust law clearance to an agreement among life

companies and the federal reserve board for voluntary credit restraint authorized under the defense production act of 1950.

This is under the voluntary credit restraint program announced by federal reserve, which has asked insurance companies, banks and other financial institutions to withhold credit that would be used for speculative purposes, including investments, purchases for hoarding, and acquiring properties or existing stocks unless there would be over-all increase in production.

Loans That Are Allowed

The program allows loans for defense production, processing and distributing staple articles and essential goods, for increasing working capital, and to securities dealers for normal business purposes.

The announcement states that it is most important that loans for non-essential purposes be curtailed in order to release some of the nation's resources for expansion in more vital areas of production.

"Cooperation with this program of credit restraint makes it increasingly necessary for financing institutions to screen loan applications on the basis of their purpose, in addition to the usual tests of credit worthiness. The criterion for sound lending in a period of inflationary danger boils down to the following: Does it commensurately increase or maintain production, processing and distribution of essential goods and services?"

Four Types Approved

It says that the following types of loans would be classified as proper:

"1. Loans for defense production, direct or indirect, including fuel, power and transportation.

"2. Loans for the production, processing and orderly distribution of agricultural and other staple products, including export and import as well as domestic, and of goods and services supplying the essential day-to-day needs of the country.

"3. Loans to augment working capital where higher wages and prices of materials make such loans necessary to sustain essential production, processing or distribution services.

"4. Loans to securities dealers in the normal conduct of their business or to them or others incidental to the flotation and distribution of securities where the money is being raised for any of the foregoing purposes.

"This program would not seek to restrict loans guaranteed or insured, or

authorized as to purpose by a government agency, on the theory that they should be restricted, in accordance with national policy, at the source of guaranty or authorization. Financing institutions would not be restricted in honoring previous commitments.

Questionable Loans

"The following are types of loans which in general financing institutions should not make under present conditions, unless modified by the circumstances of the particular loan so as not to be inconsistent with the principles of this program:

"1. Loans to retire or acquire corporate equities in the hands of the public, including loans for the acquisition of existing companies or plans where no over-all increase of production would result.

"2. Loans for speculative investments or purchases. The first test of speculation is whether the purchase is for any purpose other than use or distribution in the normal course of the borrower's business. The second test is whether the amounts involved are disproportionate to the borrower's normal business operations. (A) This would include speculative expansion of real estate holdings or plant facilities as well as speculative accumulation of inventories in expectation of resale instead of use."

Says Consultants Constitute Problem

(CONTINUED FROM PAGE 3)

in diminishing volume from life insurance agents about the influence of mass selling on the production of individual policies. In this regard he commented that as the agents are learning better how to differentiate between the practices of the various companies. According to the speaker, Metropolitan refuses to have any part in underwriting the so-called association cases where coverage is provided for groups of lawyers, doctors, dentists, etc. "We do not regard this as sound business for the long haul and we are convinced that the best interests of the members of these associations would be better served by individual policies written by agency field men as part of planned insurance estates," he declared.

Write Few Trusteed Groups

Speaking of so-called trusteed plans, covering groups of employers usually in the same industry, or members of employe unions, Mr. Campbell commented that Metropolitan has written only a small number of such cases and then only when covering the employees

of employers located in a relatively small area and engaged in the same industry.

Mr. Campbell declared, "Throughout recent years we have declined to be quoted on trusted plans on a national basis or covering employers in several different states. Some such programs have been written by other insurance companies, but there is little in their experience that would warrant a change in established Metropolitan practice. Far more than 99% of all Metropolitan group life insurance is in force on the regular employer-employee basis."

He added that despite these facts there are still a limited number of Metropolitan men who are apprehensive about the influence of group insurance on production of individual policies. One of the many answers to such statements is that group insurance is being written and will continue to be written in greatly increased volume by a substantially increased number of other insurance companies and the tide cannot be turned back by edicts.

Continuing With Solicitations

Mr. Campbell expressed himself as hopeful that current negotiations to overcome the handicap of temporary regulations issued by the wage stabilization board will be overcome soon. "Meanwhile, the present situation is that we may continue to solicit and accept applications for new or increased group life insurance programs, subject to the understanding that the effective date of the insurance will be determined after any necessary authorization is obtained from the wage stabilization board," he declared.

More Than \$13 Billion in Force

Mr. Campbell commented that at the close of 1950 there was more than \$13,031,000,000 group life insurance in force in Metropolitan. He said there was \$34 million in dividends paid out under all forms of group insurance during 1950 and that the outlook for increased dividends during 1951 was excellent. He now mentioned as the outstanding sale of the year in group insurance the bringing of the Bethlehem Steel case to the Metropolitan due to the efforts of Leroy A. Lincoln, Metropolitan chairman. He reported that new group life placed during 1950 was \$1,055,000,000, more than double the former peak year of 1948. During 1950, new placed group A. H. hospital expense and surgical, exceeded by substantial margins the peak figures for any prior year, ranging from three times to almost seven times 1949 production.

The group life gain in force for 1950 was more than \$2,250,000,000 and the group disability business increased by 62.5%.

Figures from Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1950	Ins. in Force Dec. 31, 1950	Increase in Ins. in Force	Prem. Income	Benefits Paid 1950	Total Disburs. 1950
American Natl. Tex.	330,495,235	30,474,163	45,866,975	461,808,278	2,200,162,987	150,974,936	57,930,231	15,821,907	43,942,587
Atlantic Coast Life	3,838,255	520,688	545,811	24,633,450	49,950,832	1,695,710	1,944,907	470,130	1,537,733
Commercial & Indust.	4,602,009	1,484,272	3,948,064	5,965,541	14,392,975	4,209,783	408,541	53,463	1,848,242
Commercial Life, Ariz.	3,357,768	2,300,958	445,424	4,561,347	27,387,274	468,276	2,642,842	34,588	545,860
Confederation Life	256,346,446	16,918,180	17,707,853	143,749,541	1,111,682,299	144,401,123	32,121,924	16,774,270	28,731,583
Crown Life	134,673,398	13,781,904	8,747,625	158,013,468	733,665,247	94,690,438	22,514,510	7,850,411	16,432,115
Durham Life	35,335,205	3,903,386	3,342,322	43,331,845	201,000,711	9,402,885	7,319,802	1,747,165	5,160,629
Expressmen's Mutual	14,993,610	542,241	1,505,694	1,709,729	43,903,718	108,377	1,069,806	699,917	1,039,741
Forest Lawn, Cal.	2,647,147	356,735	491,317	2,705,013	14,248,984	816,976	708,299	162,982	514,388
Golden State Mutual	4,814,912	544,707	563,985	19,176,458	58,293,768	7,695,766	3,642,904	824,846	3,365,967
Govt. Personnel, Tex.	3,071,017	870,333	333,320	30,465,832	53,285,059	13,256,070	2,063,753	351,524	1,378,511
Guarantee Reserve	3,786,622	325,274	184,847	10,234,108	36,408,093	5,166,093	1,063,007	253,707	896,472
International Life, Tex.	5,177,211	573,724	532,622	8,665,127	26,426,220	505,297	664,649	194,124	447,568
Liberty Life, S. C.	1,502,252	216,799	501,637	1,914,020	10,518,875	172,739	804,780	259,345	744,524
Life of Georgia	50,887,149	5,627,855	4,099,761	116,015,449	435,450,133	38,367,035	11,963,253	3,243,293	8,333,527
Manhattan Life	55,918,386	8,926,665	11,768,766	450,822,787	731,158,978	87,964,302	35,859,919	8,067,621	29,228,076
Metropolitan Life	60,861,011	5,928,756	1,181,987	48,216,122	253,037,872	31,508,103	10,437,982	5,102,630	8,829,648
Ministers Life & Cas.	10,338,071,652	630,123,969	622,125,713	5,196,285,426	45,248,539,02	3,725,304,185	1,407,761,582	837,385,321	1,291,648,294
Mutual Life, Canada	8,015,848	1,091,588	1,091,588	3,094,355	30,889,106	2,449,755	855,704	456,286	873,726
National Burial, Tenn.	365,632,704	20,339,344	22,119,239	120,468,273	1,168,677,942	99,979,750	32,680,815	20,962,491	35,111,076
North Amer. Life & Cas.	8,372,296	1,195,744	1,615,232	15,076,962	55,105,011	3,669,837	2,568,135	624,698	2,972,407
Pacific National	10,217,857	1,599,008	453,675	55,481,996	134,551,730	37,328,324	5,822,317	2,006,487	5,033,956
Peninsula Mutual	11,552,638	1,299,261	1,384,078	15,865,798	78,251,750	8,009,519	2,368,646	647,680	1,761,358
Union Labor Life	6,454,337	510,408	106,135	8,990,000	46,311,374	3,870,350	1,311,149	465,404	1,138,008
United, Chicago	13,178,117	2,568,183	3,412,971	134,223,125	316,830,195	68,692,058	7,140,771	4,877,763	6,306,471
Western Natl. Life	17,507,162	2,493,506	6,132,738	88,116,168	159,506,753	17,739,319	18,444,423	5,623,505	17,008,778
	834,690	77,224	616,484	26,000,844	17,572,337	5,672,954	612,179	145,356	567,215
Ben Hur Life	20,231,498	385,803	1,035,923	4,987,566	55,331,337	1,310,604	1,327,096	1,125,671	1,954,340
Croatian Catholic Union	1,562,975	111,296	17,226	407,500	6,562,237	204,550	209,216	64,459	1,248,565
Equitable Reserve Assn.	13,544,938	543,499	2,551,732	4,176,256	42,724,211	753,798	981,371	845,559	1,743,882
Ladies' Catholic Benev.	31,874,361	445,355	4,966,447	16,007,170	63,934,565	13,108,289	1,081,989	1,549,462	1,743,882
W'd'n of the W'd, Omaha	174,987,071	5,694,208	82,068,736	81,442,601	595,844,969	11,351,412	14,093,409	7,987,569	17,750,593

*Excludes revivals and additions.

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3,942,587
1,537,733
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8,731,583
6,432,115
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514,888
3,365,967
1,378,511
896,472
547,568
744,524
8,533,527
9,228,076
8,829,648
1,648,204
873,726
5,111,075
2,072,047
5,032,956
1,761,358
1,138,008
6,306,471
7,008,778
567,215
1,954,340
159,011
1,243,565
1,743,882
17,750,593

*Distinctive Advertising Lends
Distinction to the Men Who Use It.*



*Well over 2,500,000 reprints of Travelers
magazine advertisements were used by Travelers
producers last year.*

1st Annual Financial Statement...

FOR THE YEAR ENDED DECEMBER 31, 1950

THE OHIO NATIONAL LIFE INSURANCE CO.

RESOURCES *

*Figures in italic are as of December 31st, 1949.

CASH	\$ 2,193,727.70	2.0%
	<i>\$ 1,042,099.91</i>	<i>1.0%</i>
BONDS:		
U. S. Government	14,228,815.84	12.8
	<i>14,256,877.56</i>	<i>13.7</i>
State, County and Municipal	18,715,001.94	16.8
	<i>20,474,201.05</i>	<i>19.7</i>
Canadian Government and Provincial	1,831,529.71	1.6
	<i>00</i>	<i>0</i>
Public Utility	17,582,846.06	15.8
	<i>13,585,876.11</i>	<i>13.0</i>
Railroad and Miscellaneous	1,150,954.16	1.0
	<i>89,704.26</i>	<i>.1</i>
TOTAL BONDS	53,509,147.71	48.0
	<i>48,406,658.98</i>	<i>46.5</i>
MORTGAGE LOANS:		
Guaranteed by U. S. Agencies	15,598,771.38	14.0
	<i>15,979,475.59</i>	<i>15.4</i>
Other First Mortgage Loans, City	18,921,604.25	17.0
	<i>18,478,533.94</i>	<i>17.8</i>
Other First Mortgage Loans, Farm	11,039,032.26	9.9
	<i>11,080,981.17</i>	<i>10.6</i>
TOTAL MORTGAGE LOANS	45,559,407.89	40.9
	<i>45,538,990.70</i>	<i>43.8</i>
POLICY LOANS AND LIENS	6,168,406.73	5.5
	<i>5,737,341.06</i>	<i>5.5</i>
REAL ESTATE:		
Home Office Properties	1,292,540.86	1.1
	<i>860,893.96</i>	<i>.8</i>
Sold on Contract	90,143.04	.1
	<i>110,425.57</i>	<i>.1</i>
TOTAL REAL ESTATE	1,382,683.90	1.2
	<i>971,319.53</i>	<i>.9</i>
DUE AND ACCRUED INTEREST	612,479.93	.6
	<i>581,905.60</i>	<i>.6</i>
DUE AND DEFERRED PREMIUMS	1,787,382.62	1.6
	<i>1,648,840.98</i>	<i>1.6</i>
CAPITAL STOCK DEPOSITED WITH MUTUALIZATION TRUSTEES	162,160.00	.2
	<i>109,030.00</i>	<i>.1</i>
OTHER ASSETS	18,906.77	.0
	<i>38,971.81</i>	<i>.0</i>
TOTAL ASSETS	\$111,394,303.25	100.0%
	<i>\$104,075,158.57</i>	<i>100.0%</i>

LIABILITIES *

*Figures in italic are as of December 31st, 1949.

POLICY RESERVE REQUIRED BY LAW	\$ 92,343,526.20
	<i>\$87,182,797.00</i>
POLICY FUNDS LEFT WITH THE COMPANY	8,457,493.18
	<i>7,419,221.12</i>
POLICY CLAIMS AWAITING FINAL PAPERS	303,058.91
	<i>325,052.77</i>
RESERVE FOR TAXES	463,982.01
	<i>436,813.68</i>
INTEREST AND PREMIUMS PAID IN ADVANCE	1,978,155.90
	<i>1,778,572.30</i>
DIVIDENDS TO POLICYOWNERS PAYABLE TO DECEMBER 31, 1951	799,626.97
	<i>670,458.64</i>
OTHER LIABILITIES	1,030,868.97
	<i>828,319.97</i>
TOTAL LIABILITIES	\$105,376,712.14
	<i>\$98,641,235.49</i>
EXCESS PROTECTION FOR POLICYOWNERS:	
Capital	\$ 828,580.00
	<i>\$ 828,580.00</i>
Surplus	5,189,011.11
	<i>4,605,343.08</i>
TOTAL	\$111,394,303.25
	<i>\$104,075,158.57</i>

1950 HIGHLIGHTS

New Business	\$ 72,194,000
Total Insurance In-Force	460,705,000
Gain in Total Insurance	40,936,000

TEN-YEAR COMPARISON

Year	Assets	Capital and Surplus	Insurance In Force	New Business	Premium Income (Incurred)
1920	2,518,484	665,290	30,502,301	11,954,036	1,029,802
1930	13,890,812	1,921,866	85,120,791	14,954,628	2,601,948
1940	55,302,345	2,803,319	216,644,428	22,458,836	6,281,912
1950	111,394,303	6,017,591	460,705,094	72,194,221	12,284,897



Home Office, 2400 Reading Road JOHN H. EVANS, President